Cole Real Estate Income Strategy (Daily Nav), Inc.

Shareholder Relations (866) 907-2653

2325 East Camelback Road, 10th Floor
Phoenix, AZ 85016

January 17, 2019

Common Stock

12588C108 (formerly CUSIP 19330A108),
12588C207 (formerly CUSIP 19330A207), 12588C106 (formerly CUSIP 19330A306)

During 2018, Cole Real Estate Income Strategy (Daily Nav), Inc. (the "Company") paid cash distributions to its common shareholders on January 2nd, February 1st, March 1st, April 2nd, May 1st, June 1st, July 2nd, August 1st, September 4th, October 1st, November 1st, and December 3rd. On January 17, 2019 the Company determined that a portion of each of these distributions represents a nondividend distribution to the shareholder. Consequently, each common shareholder who received a cash distribution on these dates would be affected by this organizational action.

For each cash distribution paid to common shareholders by the Company during 2018, 47.55285567% of the distribution represents a nondividend distribution. Accordingly, each common shareholder should treat 47.55285567% of the distributions as a reduction to the tax basis of the stock. Any nondividend distributions in excess of a shareholder's basis should be treated as a gain from the sale or exchange of such stock.

On January 17, 2019, the Company completed its annual calculation of its Current Earnings & Profits for the year ended December 31, 2018. Based on that calculation, the Company determined that 47.55285567% of its 2018 common distributions represent a nondividend distribution.
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based on Internal Revenue Code section 316 defines a "dividend" generally as any distribution of property made by a corporation to its shareholders out of Earnings & Profits (as defined by Internal Revenue Code section 312 and the regulations thereunder). Pursuant to Internal Revenue Code section 301(c)(3), a distribution which is not a dividend, to the extent that it exceeds the shareholder's adjusted tax basis of the stock, shall be treated as gain from the sale or exchange of property.

18 Can any resulting loss be recognized? The organizational action reported herein does not result in any losses.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year. The amount of nondividend distributions on the dates mentioned above either (I) reduces the shareholder's adjusted tax basis in his/her stock or (II) to the extent that it exceeds the shareholder's adjusted tax basis in his/her stock on the dates of the distributions, is treated as gain from the sale or exchange of such stock in 2018.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature: Nathan DeBacker
Date: 2/12/2019

Print your name: Nathan DeBacker

Title: CFO

Paid Preparer Use Only

Print/Type preparer's name
Preparer's signature
Date
Check [ ] if self-employed
PTIN

Firm's name
Firm's EIN

Firm's address
Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054