

NorthStar Capital** offers individual investors access to an institutionally managed portfolio of commercial real estate (CRE) debt, CRE securities and CRE equity that may provide a source of attractive income through cash distributions¹ in today's low-yield environment.

SYMBOL	XNDFX
STRUCTURE	Unlisted closed-end fund
OFFERING SIZE	300 million common shares
MINIMUM INVESTMENT	\$4,000; \$100 minimum additional purchase The Fund reserves the right to waive investment minimums
DISTRIBUTION RATE ¹	\$0.60 per share
ANTICIPATED DISTRIBUTION SCHEDULE ¹	Monthly
DISTRIBUTION REINVESTMENT PRICE	Net asset value (NAV)
LIQUIDITY FEATURE ²	Anticipated quarterly tender offers A maximum 5% of outstanding shares once per quarter at NAV (20% annually), subject to additional limits
SPONSOR COMMITMENT ³	\$22.0 million
EXPENSE SUPPORT ⁴	An affiliate of Colony NorthStar has agreed to reimburse NorthStar Capital and the Fund for certain expenses

INVESTMENT OBJECTIVES⁵

NorthStar Capital seeks to provide:



ATTRACTIVE & CONSISTENT INCOME THROUGH CASH DISTRIBUTIONS¹



PRESERVATION & PROTECTION OF CAPITAL



OPPORTUNITY FOR CAPITAL APPRECIATION

POTENTIAL BENEFITS OF INVESTING IN THE FUND INCLUDE:

- Access to experienced institutional managers
- Professional portfolio management
- Transparency through daily pricing and periodic liquidity through anticipated quarterly tender offers
- Lower correlation to the equity and bond markets

*The Fund has additional share classes.

INSTITUTIONAL EXPERTISE

Colony NorthStar, Inc. (Colony NorthStar; NYSE: CLNS) an affiliate of the Fund's advisor,⁶ brings decades of real estate experience and considerable deal sourcing and execution capabilities to this investment opportunity.



Colony NorthStar is a leading global real estate and investment management firm with approximately \$57 billion⁷ in assets under management. As one of the world's largest real estate investors, owners and operators, Colony NorthStar offers numerous real estate and real estate-related investment products. Additionally, Colony NorthStar has demonstrated experience operating public companies, managing multiple retail investment offerings and was one of the first institutional managers to offer non-traded retail products to individual investors.

**NorthStar Real Estate Capital Income Master Fund (NorthStar Capital) is a master fund in a master/feeder structure, which pools investor capital raised through its feeder funds, such as the current fund offering described in this fact sheet, NorthStar Real Estate Capital Income Fund (the Fund). The Fund invests substantially all of its assets in NorthStar Capital. Investors in the Fund are purchasing shares of a feeder fund, not NorthStar Capital. The investment results of the Fund are directly dependent on the investment results of NorthStar Capital, which seeks to execute the investment strategies described in the Fund's prospectus.

This sales and advertising literature is neither an offer to sell nor a solicitation of an offer to buy securities. This material must be read in conjunction with the Fund's prospectus in order to fully understand all of the implications and risks of the offering of the Fund's securities. **Before investing, investors are advised to carefully read and consider the investment objectives, risks, charges and expenses of NorthStar Capital and the Fund. The Fund's prospectus contains this and other information about the Fund. Investors may obtain a copy of the Fund's prospectus by visiting www.NorthStarSecurities.com/CREfund or by calling 877.940.8777.** No offering is made except pursuant to a registration statement declared effective by the U.S. Securities and Exchange Commission (the SEC). Neither the SEC nor any state securities regulator has approved or disapproved of the Fund's common shares, determined if the prospectus is truthful or complete or passed on or endorsed the merits of the Fund's offering. Any representation to the contrary is a criminal offense.

1) Distribution rate as of May 18, 2017. There is no guarantee of distributions or that any distributions paid will be paid at the stated rate. Distributions may be paid from sources other than cash flow from operations, including offering proceeds, borrowing or sales of assets, which may reduce an investor's overall return and may constitute a return of capital. 2) The Fund currently intends to limit the number of shares to be repurchased on each date of repurchase to the number of shares the Fund can repurchase with, in the Fund's Board of Trustee's (the "Board") sole discretion, (i) the aggregate proceeds it has received from the issuance of shares pursuant to its dividend reinvestment plan (the "DRP") for the previous calendar quarter, and/or (ii) the aggregate proceeds it has received from the sale of shares, other than such shares issued pursuant to its DRP, for the previous calendar month, immediately prior to the date upon which the notification to repurchase shares was provided to shareholders of the Fund. The Board may, in its sole discretion, determine to limit the number of shares to be repurchased to an amount that is greater than or less than the amounts described above. Additionally, the Fund will further limit the number of shares to be repurchased in any calendar quarter to 5.0% of the weighted average number of shares outstanding in the previous full calendar quarter prior to the date upon which the notification to repurchase shares was provided to shareholders of the Fund. In addition, beginning with its second calendar year of operations, the Fund will limit the number of shares to be repurchased in any calendar year to 20.0% of the weighted average number of shares outstanding in the prior calendar year. The Fund intends to offer to repurchase shares at a price equal to the NAV per share on each date of repurchase. 3) The sponsor commitment represents the aggregate investments in NorthStar Capital made by affiliates of Colony NorthStar as of October 2017. 4) Pursuant to separate expense support and conditional reimbursement agreements between an affiliate of Colony NorthStar, NorthStar FV Holdings, LLC ("Colony NorthStar FV"), and each of NorthStar Capital and the Fund, Colony NorthStar FV will reimburse NorthStar Capital and the Fund for certain expenses to seek to ensure that each of NorthStar Capital and the Fund bears a reasonable level of expenses. Each of NorthStar Capital and the Fund have a conditional obligation to reimburse Colony NorthStar FV for amounts funded by it under such agreements. Additionally, such agreements may be terminated at any time by Colony NorthStar FV or NorthStar Capital and shall automatically terminate in the event of the termination or assignment of the Fund advisory agreement or if the Board makes a determination to dissolve or liquidate the Fund. 5) There is no guarantee that these objectives will be met. 6) The Fund will be advised by CNI RECF Advisors, LLC. 7) Represents balance sheet and third-party AUM as of September 30, 2017. Third party AUM represents capital invested alongside balance sheet, but excludes private equity and retail company interests, which are included in Investment Management AUM. The performance of Colony NorthStar is not indicative of the performance of NorthStar Capital or the Fund. Colony NorthStar, NorthStar Capital and the Fund are separate companies. An investor purchasing shares in the Fund's public offering is making an investment in NorthStar Capital indirectly through the Fund, not in Colony NorthStar.

FORWARD LOOKING STATEMENTS

This sales material includes forward-looking statements that can be identified by the use of words such as "will," "may," "should," "intend," "believe," "expect," "could," "target," or other comparable terminology. Statements concerning projections, future performance, cash flows and any other guidance on present or future periods constitute forward-looking statements. Forward-looking statements involve significant risks and uncertainties and you should not unduly rely on these statements. You should be aware that a number of important factors, including, but not limited to, the factors described in the Risk Factors below and in our filings with the SEC, could cause our actual results to differ materially from those in these forward-looking statements. The statements made herein are as of the date hereof and we undertake no obligation to update these statements except as may be required by applicable securities laws.

RISK FACTORS

An investment in the Fund involves a high degree of risk and may be considered speculative as well as illiquid and a prospective investor should invest only if they can sustain a complete loss of their investment. The following are some of the risks involved in an investment in the Fund; however, investors should carefully consider all of the risks discussed in the Fund's prospectus before deciding to invest in the Fund.

- The Fund intends to implement a share repurchase program, but only a limited number of the Fund's shares may be eligible for repurchase. The repurchase program may be terminated at any time. Accordingly, you should consider that you may not have access to the money you invest for an indefinite period of time until the Fund completes a liquidity event. There can be no assurance that there will be a liquidity event at all.
- Because you may be unable to sell your shares, you may be unable to reduce your exposure to the Fund in any market downturn.
- As a closed-end fund, the Fund does not redeem its shares on a daily basis. Unlike most closed-end funds, the Fund's shares are not listed on a securities exchange and it is not anticipated that a secondary market will develop. As a result, shareholders should not expect to be able to sell their shares regardless of how the Fund performs.
- The shares of the Fund sold in this offering will not be listed on an exchange and the Fund is not expected to consider alternatives for providing liquidity to the shareholders for at least five years from the completion of the offering stage, and there can be no assurance that there will be a liquidity event at all. Therefore, if shareholders purchase shares of the Fund in this offering, they will have limited liquidity and may not receive a full return of their invested capital if they sell their shares.
- The Fund expects that some of its distributions may be paid from sources other than cash flow from operations, such as offering proceeds, borrowings or sales of assets, which may reduce an investor's overall return and may constitute a return of capital. You should understand that any such distributions would not be based on the investment performance of the Fund and would be sustained only if NorthStar Capital achieves positive investment performance in future periods.
- This is a "best efforts" offering, and if the Fund is unable to raise substantial funds, NorthStar Capital will be limited in the number and type of investments it may make, and the value of a shareholder's investment may be reduced in the event NorthStar Capital's assets underperform. NorthStar Securities, LLC has only limited experience selling common shares on behalf of a registered closed-end management investment company and may be unable to sell a sufficient number of shares in the Fund for the Fund and NorthStar Capital to achieve their investment objectives.
- Investors will incur immediate dilution as a result of any selling commissions and dealer manager fees paid by the investor and offering expenses the Fund will incur.
- NorthStar Capital and the Fund are recently organized companies and have limited operating history.
- NorthStar Capital may make investments that may be rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as "high yield" securities or "junk bonds," may have speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be illiquid and difficult to value.
- NorthStar Capital intends to invest a substantial portion of the proceeds from this offering in a portfolio of CRE debt, equity and securities investments. The collateral securing the Fund's CRE debt securities, as well as the equity investments, may decrease in value or lose all value over time, which may lead to a loss of some or all of the principal in the debt and securities investments NorthStar Capital makes.
- Because real estate investments are relatively illiquid, NorthStar Capital may not be able to vary its portfolio in response to changes in economic and other conditions and may be unable to dispose of certain assets at a fair price, resulting in losses to NorthStar Capital.
- NorthStar Capital may use leverage in connection with its investments, which may increase the risk of loss associated with its investments. In addition, if a wholly owned special purpose vehicle of NorthStar Capital's REIT subsidiary (the "REIT Subsidiary") is unable to pay principal and interest on borrowings it has incurred, a default could result in foreclosure of any security instrument securing the debt and a complete loss of the investment, which could result in losses to the REIT Subsidiary and, therefore, to NorthStar Capital and the Fund.
- NorthStar Capital is exposed to the risks associated with the REIT Subsidiary and the REIT Subsidiary's investments, including the risk that the failure of the REIT Subsidiary to qualify as a REIT could have adverse tax consequences on the REIT Subsidiary and may adversely affect the performance of NorthStar Capital and, consequently, the Fund.
- The payment of fees and expenses will reduce the cash available for investment, the net income generated, the cash available for distribution and the book value of the shares. Please see the Fund's current prospectus for details on the fees and expenses.

For more information and to obtain a prospectus call our sales desk at 877.940.8777 or visit www.NorthStarSecurities.com/CREfund

NorthStar Securities, LLC is the exclusive wholesale marketing agent for the Fund. ALPS Distributors, Inc., member FINRA is the distributor of the Fund. NorthStar Securities, LLC and ALPS Distributors, Inc. are not affiliated. NorthStar Securities, LLC is doing business as NorthStar BD Securities, LLC (DE) in the following states: FL, GA, TX and WA.