

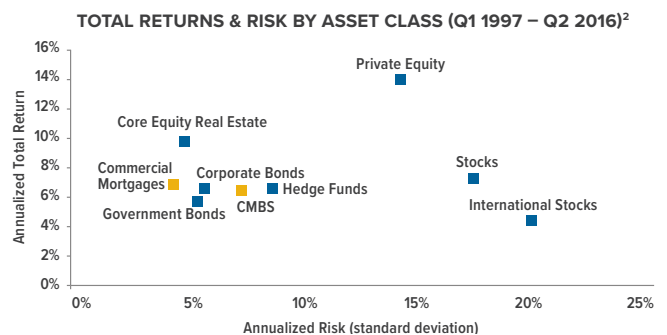
NAVIGATING INCOME AND DIVERSIFICATION

Investing in Commercial Mortgages & CMBS Investments

Commercial mortgages and commercial mortgage backed securities (CMBS) have historically provided attractive risk-adjusted returns and potential portfolio diversification given their lower correlation¹ to most major asset classes. We believe these investments may help reduce portfolio risk while generating potential income.

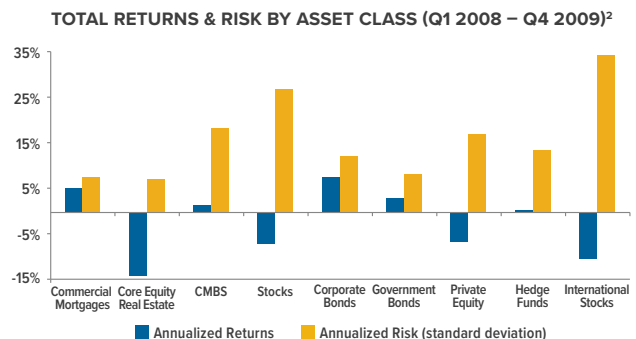
Potential for Risk-Adjusted Returns

Similar to other debt instruments, commercial mortgages and CMBS predominantly derive returns from contractual interest and principal payments without the need for appreciation. We believe commercial mortgages and CMBS have delivered relatively outsized returns across multiple economic cycles when compared to other major asset classes.



Historical Performance in a Down Market

As shown, commercial mortgages demonstrated relatively strong performance during the global financial crisis (Q1 2008 to Q4 2009) when compared to other major asset classes that experienced negative returns with higher risk profiles. Past performance is not an indication of similar returns in future market conditions. Higher returns may be accompanied by increased risk and like any investment, the possibility of loss.



Portfolio Diversification³

Assets with low or negative correlation¹ relative to an investor's broader portfolio are key when seeking the benefits of diversification. We believe including lower-correlated assets such as commercial mortgages and CMBS in an investor's portfolio may help to reduce risk compared to a portfolio comprised solely of closely correlated assets. There can be no assurance that an investment in these types of assets will protect against loss.

Asset correlation is a measure of how closely investments perform relative to one another. High correlated (a number closer to 1) assets tend to behave similarly in an improving or deteriorating market. Lower correlated assets (a number closer to 0) have an inverse relationship and respond in opposite directions.

CORRELATION OF TOTAL RETURNS FOR MAJOR ASSET CLASSES (Q1 1997 – Q2 2016)²

	Commercial Mortgages	Core Equity Real Estate	CMBS	Stocks	Corporate Bonds	Gov't Bonds	Private Equity	Hedge Funds	Int'l Stocks
Commercial Mortgages	1	0.12	0.73	-0.12	0.44	0.40	-0.02	-0.02	-0.11
Core Equity Real Estate		1	0.10	0.21	-0.18	-0.02	0.36	0.12	0.16
Investment Grade CMBS			1	0.27	0.67	0.11	0.16	0.27	0.30
Stocks				1	0.07	-0.55	0.67	0.81	0.87
Investment Grade Corporate Bonds					1	0.49	-0.06	0.10	0.16
Government Bonds						1	-0.40	-0.53	-0.52
Private Equity							1	0.79	0.66
Hedge Funds								1	0.83
International Stocks									1

NorthStar Capital is an unlisted, closed-end fund that intends to invest primarily in a diversified portfolio of commercial real estate (CRE) and real estate-related investments including CRE debt, CRE securities and CRE equity. For more information, please visit www.NorthStarSecurities.com/CREfund, or contact the sales desk at **877.940.8777**.

MASTER-FEEDER STRUCTURE

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, NorthStar Real Estate Capital Income Fund, NorthStar Real Estate Capital Income Fund-T and NorthStar Real Estate Capital Income Fund-ADV (each a Fund, and together the Funds). Each Fund invests substantially all of its assets in NorthStar Capital. **Investors in a Fund are purchasing shares of a feeder fund, not NorthStar Capital.** The investment results of each of the Funds are directly dependent on the investment results of NorthStar Capital, which seeks to execute the investment strategies described in each Fund's prospectus.

DISCLOSURES/SOURCES

An investment in a Fund is not a direct investment in commercial real estate (CRE) or CRE debt and is significantly different than investing in traditional investments such as stocks and bonds. An investment in a Fund is subject to fees and expenses that do not apply to such direct investments. Indices are meant to illustrate general market performance; it is not possible to invest directly in an index. The indices presented represent investments that have material differences from an investment in a Fund, including those related to investment objectives, risks, fees and expenses, liquidity and tax treatment. Investing in real estate involves risk. Real estate is not traded on an exchange; therefore, transactions do not provide immediate liquidity and their pricing is less transparent than that of stocks. 1) Correlation is a statistical measure of how two securities move in relation to each other. The higher the coefficient (1.00 is the maximum), the greater the correlation between the two markets. 2) Source: the indices used for each asset class are: Commercial Mortgages, Gliberto-Levy Commercial Mortgage Performance Index; Government Bonds, Barclays U.S. Treasury Index; Corporate Bonds, Barclays U.S. Investment Grade Corporate Credit Index; Core Equity Real Estate, NCREIF Property Index (NPI); Stocks, S&P 500 Total Return Index; Commercial Mortgage-Backed Securities, Barclays Capital U.S. Investment-Grade CMBS Index; Private Equity, Cambridge Associates LLC U.S. Private Equity Index; Hedge Funds, HFRI Hedge Fund Index; International Stocks, MSCI EAFE Index. Data is from 1997Q1-2016Q2, except for the Cambridge Associates LLC U.S. Private Equity Index, which is as of 2015Q4. 1997 is used as a starting point as it was the first time data was consistently available across these asset classes. Past performance is no guarantee of future results. 3) Neither NorthStar Capital nor the Funds intend to operate as a "diversified" investment company within the meaning of the Investment Company Act of 1940. Diversification does not eliminate risk and does not assure better performance.

RISK FACTORS

An investment in a 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 a Fund: (i) only a limited number of each Fund's shares may be eligible for repurchase under a Fund's share repurchase program, and the share repurchase program may be terminated at any time. As such, you will have limited to no access to the money you invest for an indefinite period of time; (ii) no guarantee of distributions, and it is expected that some of the Funds' distributions, if any, may be paid from the proceeds from the offerings. Additionally, for Fund-T and Fund-ADV investors, a distribution and servicing fee is paid out of the applicable Fund's assets on a monthly basis, increasing the cost of an investment in Fund-T and Fund-ADV, respectively, over time; (iii) as shares are not listed on an exchange and it is not anticipated that a secondary market will develop, investors will have limited liquidity and may not receive a full return of their invested capital if they sell their shares; (iv) the Funds are recently organized companies and have limited operating history; (v) investors will incur immediate dilution as a result of any selling commissions and dealer manager fees paid by an investor and offering expenses the Funds will incur; (vi) no guarantee that the investment objectives of the Funds will be attained; (vii) 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; (viii) financial risks associated with real estate investments, including the inability to dispose of certain assets at a fair price; and (ix) NorthStar Capital may make investments in below investment grade securities, which are speculative and may be illiquid and difficult to value.

This material is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the applicable prospectus. This material must be read in conjunction with the applicable Fund's prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. **Before investing, investors are advised to carefully read and consider the investment objectives, risks, charges and expenses of NorthStar Capital and the Fund in which they are considering an investment. Each Fund's prospectus contains this and other information about the Fund. Investors may obtain a copy of a 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 Funds' common shares, determined if a prospectus is truthful or complete or passed on or endorsed the merits of the Funds' offerings. Any representation to the contrary is a criminal offense.



Sales Desk **877.940.8777** | Website www.NorthStarSecurities.com

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