

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
NORTHSTAR REAL ESTATE INCOME TRUST, INC.		26-4141646	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
STEVEN KAUFF	212-547-2600	KAUFF@NRFC.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
399 PARK AVENUE, 18TH FLOOR		NEW YORK, NY 10022	
8 Date of action		9 Classification and description	
SEE LINE 15		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
66705J 107			

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ THE TAXPAYER MADE CASH DISTRIBUTIONS TO ITS SHAREHOLDERS IN EXCESS OF ITS CURRENT AND ACCUMULATED EARNINGS AND PROFITS. SEE PART II, LINE 15 FOR THE AMOUNT OF THESE DISTRIBUTIONS.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ THE DISTRIBUTIONS REDUCED THE BASIS OF THE SECURITIES IN THE HANDS OF THE U.S. TAXPAYERS AS MENTIONED ON THE ATTACHED STATEMENT.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ THE TAXPAYERS EARNINGS AND PROFITS WERE CALCULATED UNDER IRC SECTION 312, AS MODIFIED BY IRC SECTION 857(d) FOR A REAL ESTATE INVESTMENT TRUST, AND THE REGULATIONS THEREUNDER, AMOUNTS IN EXCESS OF EARNINGS AND PROFITS REDUCE THE SHAREHOLDER'S TAX BASIS IN ITS SHARES TO THE EXTENT OF BASIS.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
IRC SECTION 301(c)(2)

18 Can any resulting loss be recognized? ► NO

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THESE ACTIONS ARE EFFECTIVE ON THE DATE OF THE DISTRIBUTIONS IDENTIFIED ABOVE.

Sign Here

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.

Signature ►  Date ►

Print your name ► Steven B. Kauff Title ► Executive Vice President

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►	Firm's EIN ►		Phone no.	
Firm's address ►				

NORTHSTAR REAL ESTATE INCOME TRUST, INC.
FORM 8937
2011 TAX YEAR

PART II, LINE 15:

PER SHARE REDUCTION OF BASIS

	DISTRIBUTION DATE	DISTRIBUTION PER SHARE PER DAY	PER SHARE PER DAY REDUCTION OF BASIS	RETURN OF CAPTIAL PERCENTAGE
COMMON STOCK	2/1/2011	\$0.002191781	\$0.002020997	92.2080%
	3/1/2011	\$0.002191781	\$0.002020997	92.2080%
	4/1/2011	\$0.002191781	\$0.002020997	92.2080%
	5/2/2011	\$0.002191781	\$0.002020997	92.2080%
	6/1/2011	\$0.002191781	\$0.002020997	92.2080%
	7/1/2011	\$0.002191781	\$0.002020997	92.2080%
	8/1/2011	\$0.002191781	\$0.002020997	92.2080%
	9/1/2011	\$0.002191781	\$0.002020997	92.2080%
	10/3/2011	\$0.002191781	\$0.002020997	92.2080%
	11/1/2011	\$0.002191781	\$0.002020997	92.2080%
	12/1/2011	\$0.002191781	\$0.002020997	92.2080%
	12/31/2011	\$0.002191781	\$0.002020997	92.2080%