

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | |
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|---|--|--|
| 1. Name and Address of Reporting Person* <u>Colony NorthStar, Inc.</u> (Last) (First) (Middle) 515 SOUTH FLOWER STREET 44TH FLOOR (Street) LOS ANGELES CA 90071 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>NorthStar Real Estate Capital Income Fund</u> [XNAFX] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 05/31/2017 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|--------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Class A Common Shares | 05/31/2017 | | P | | 177,383.592 | A | \$9.02 | 188,384.692 ⁽¹⁾ | I | By NSAM FV Holdings, LLC ⁽²⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|--|--|---|--|
| | | | | Code | V | (A) | (D) | | | | | |

1. Name and Address of Reporting Person*
Colony NorthStar, Inc.
 (Last) (First) (Middle)
 515 SOUTH FLOWER STREET
 44TH FLOOR
 (Street)
 LOS ANGELES CA 90071
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
Colony Capital Operating Company, LLC
 (Last) (First) (Middle)
 515 S. FLOWER STREET
 44TH FLOOR
 (Street)
 LOS ANGELES CA 90071
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
NSAM FV Holdings, LLC

| | | |
|----------------------|---------|----------|
| (Last) | (First) | (Middle) |
| 515 S. FLOWER STREET | | |
| 44TH FLOOR | | |
| <hr/> | | |
| (Street) | | |
| LOS ANGELES | CA | 90071 |
| <hr/> | | |
| (City) | (State) | (Zip) |

Explanation of Responses:

1. Colony NorthStar, Inc. ("CLNS") disclaims beneficial ownership of these securities, except to the extent of its pecuniary interest therein.
2. NSAM FV Holdings, LLC is a wholly-owned subsidiary of Colony Capital Operating Company, LLC ("CCOC"), which is a majority-owned subsidiary of CLNS.

/s/ David A. Palame, Chief
Compliance Officer of Colony
NorthStar, Inc., in its own
capacity and as managing
member of Colony Capital
Operating Company, LLC, in
its own capacity and as
managing member of NSAM
FV Holdings, LLC 06/02/2017

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.