

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? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

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 ▶ ORIGINAL EXECUTED COPY AVAILABLE AT CORPORATE OFFICES Date ▶ 1.11.19

Paid Preparer Use Only	Print your name ▶ <u>JOSEPH C. HOFFMANN</u>	Preparer's signature	Title ▶ <u>SENIOR VICE PRESIDENT OF TAX</u>	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶	
	Firm's address ▶				Phone no.	

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)	
PHILLIPS EDISON INSTITUTIONAL REIT LLC		45-3274671	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SCOTT NEKOLNY	513-618-4439	SNEKOLNY@PHILLIPSEDISON.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	
11501 NORTHLAKE DRIVE		CINCINNATI, OH 45249-1669	
8 Date of action		9 Classification and description	
FEBRUARY 2018		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

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 ▶ IN FEBRUARY 2018, PHILLIPS EDISON INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$2,125,000.00. OF THIS AMOUNT, \$538,262.50 OR 25.33% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYERS EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2018 AND AT THE TIME IT WAS DETERMINED THAT 25.33% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL, 28.43% WAS A CAPITAL GAIN, AND 46.24% WAS A TAXABLE DIVIDEND. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2019 OR 45 DAYS AFTER DECEMBER 31, 2018, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.

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 ▶ SEE LINE 14 ABOVE.

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 ▶ SEE LINE 14 ABOVE.

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? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

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Part II Organizational Action *(continued)*

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Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

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3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SCOTT NEKOLNY	513-618-4439	SNEKOLNY@PHILLIPSEDISON.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	
11501 NORTHLAKE DRIVE		CINCINNATI, OH 45249-1669	
8 Date of action		9 Classification and description	
OCTOBER 2018		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

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 ▶ IN OCTOBER 2018, PHILLIPS EDISON INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$1,720,000.00. OF THIS AMOUNT, \$435,676.00 OR 25.33% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYERS EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2018 AND AT THE TIME IT WAS DETERMINED THAT 25.33% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL, 28.43% WAS A CAPITAL GAIN, AND 46.24% WAS A TAXABLE DIVIDEND. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2019 OR 45 DAYS AFTER DECEMBER 31, 2018, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.

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 ▶ SEE LINE 14 ABOVE.

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 ▶ SEE LINE 14 ABOVE.

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11501 NORTHLAKE DRIVE		CINCINNATI, OH 45249-1669	
8 Date of action		9 Classification and description	
DECEMBER 2018		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

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 ▶ IN DECEMBER 2018, PHILLIPS EDISON INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$1,560,000.00. OF THIS AMOUNT, \$395,148.00 OR 25.33% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYERS EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2018 AND AT THE TIME IT WAS DETERMINED THAT 25.33% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL, 28.43% WAS A CAPITAL GAIN, AND 46.24% WAS A TAXABLE DIVIDEND. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2019 OR 45 DAYS AFTER DECEMBER 31, 2018, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.

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