Prospectus

Stone Ridge Residential Real Estate Income Fund I, Inc.

Common Shares

The Fund. Stone Ridge Residential Real Estate Income Fund I, Inc. (the "Fund") is a non-diversified, closed-end management investment company that intends to continuously offer its shares ("Shares") during a subscription period of approximately two years after the Fund commences investment operations (the "Subscription Period"). The Subscription Period is subject to extension, temporary suspension or early termination at the discretion of the Fund's investment adviser. The Fund is a Maryland corporation and intends to elect to be taxed as a real estate investment trust (a "REIT") for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code").

Investment Objective. The Fund's investment objective is to achieve long-term capital appreciation and current income. There can be no assurance that the Fund will achieve its investment objective.

Investment Strategy. The Fund pursues its investment objective primarily by investing in private investment vehicles that acquire, hold and operate single family rental properties. The Fund seeks to obtain current income indirectly from rental income generated by properties held by such vehicles and to achieve long-term capital appreciation through distributions from such vehicles upon their dispositions of properties. In carrying out its investment strategies, the Fund invests in private investment vehicles operated and administered by real estate operators that acquire, improve and manage single family rental properties in different geographic regions within the United States. The Fund may also acquire homes through such operators directly, including through 100% owned and controlled subsidiaries of the Fund. The Fund may also invest in mortgage loans, and other debt instruments secured by single family rental properties (together with the investments described previously in this paragraph, "single family rental investments"). Under normal circumstances, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in single family rental investments.

Investment Adviser. The Fund's investment adviser is Stone Ridge Asset Management LLC ("Stone Ridge" or the "Adviser"). As of October 31, 2019, Stone Ridge managed approximately $14 billion of assets.

- ***The Fund's Shares are not listed and there is currently no secondary market for the Shares, although the Fund may consider listing its Shares in the future. Investors should not expect there to be any secondary trading market in the Shares.***

- ***An investment in the Fund is not suitable for investors who need certainty about their ability to access all of the money they invest in the short term.***

- ***The Shares of the Fund are illiquid. The Fund makes only annual repurchase offers for Shares, which the Fund expects to be for a maximum of 5% of the outstanding Shares each year.***

- ***There is no assurance that the Fund will be able to maintain a certain level of, or at any particular time make any, distributions.***

- ***Distributions may be funded from offering proceeds, which may constitute a return of capital and reduce the amount of capital available for investment. See "Certain Federal Income Tax Considerations" for a discussion of the federal income tax treatment of a return of capital.***

The Fund may invest in securities that are rated below investment grade by a nationally recognized statistical rating organization or in unrated securities judged by the Adviser to be of comparable credit quality. Below-investment grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be illiquid and difficult to value.

An investment in the Fund's Shares should be considered speculative and involving a high degree of risk, including the risk of a substantial loss of investment. See "Investment Objective, Policies and Risks — Risk Considerations" below to read about the risks you should consider before buying Fund Shares, including the risk of leverage.

Neither the Securities and Exchange Commission (the "Commission") nor any state securities commission has approved or disapproved of these securities or determined this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total*
Price to Public	$10.00	$1,000,000,000
Sales Load	None	None
Proceeds to the Fund*	$10.00	$1,000,000,000

* Expenses of issuance and distribution include $129,791.40 in registration fees and $407,500 in estimated legal and accounting fees.

The date of this prospectus is December 17, 2019

Interval Fund. The Fund has an interval fund structure pursuant to which the Fund, subject to applicable law, conducts annual repurchase offers of the Funds' outstanding Shares at net asset value ("NAV"), subject to approval of the Board of Directors (the "Board," and each of the directors on the Board, a "Director"). In all cases, such repurchases will be for at least 5% and not more than 25%, and are currently expected to be for 5%, of the Fund's outstanding Shares. It is possible that a repurchase offer may be oversubscribed, with the result that shareholders may only be able to have a portion of their Shares repurchased. **There is no assurance that you will be able to tender your Shares when or in the amount that you desire.** The Fund's Shares are not listed on any national securities exchange. You should not expect there to be any secondary trading market in the Shares. Notwithstanding the foregoing, the Fund may consider listing its Shares in the future. Even though the Fund makes annual repurchase offers to repurchase a portion of the Shares to try to provide liquidity to shareholders, you should consider the Shares to be illiquid. The Fund expects to make its first repurchase offer in the month of November 2021. See "Periodic Repurchase Offers" below.

Subsequent Fund. The Adviser intends to launch a series of non-diversified, closed-end management investment companies with investment objectives, policies and strategies substantially similar to those of the Fund (each such fund, a "Subsequent Fund"). The Adviser expects each Subsequent Fund to be a Maryland corporation electing to be taxed as a REIT for U.S. federal income tax purposes and to have an interval fund structure similar to that of the Fund pursuant to which such Subsequent Fund will conduct annual repurchase offers. The Adviser intends to launch the first Subsequent Fund following the expiration of the Subscription Period of the Fund, and such Subsequent Fund is expected to continuously offer its shares during a subscription period of approximately two years and is then expected to close to new investment. The Adviser intends to repeat this process such that at any time following the expiration of the Subscription Period of the Fund or a Subsequent Fund, there will be only one Subsequent Fund open to new investment. Dividends and capital gains distributions on your Shares will be automatically reinvested in the Fund during the Subscription Period. After the Subscription Period, it will no longer be possible for you to reinvest dividends and capital gains distributions in the Fund. However, following the Subscription Period, you may be given the opportunity to elect to have all dividends and capital gains distributions automatically invested in a Subsequent Fund, to the extent a Subsequent Fund is available for investment at the time of such dividend or distribution. The Fund expects that you will receive written notice of any opportunity to exercise such election and that such election may be exercised by notifying the Fund's transfer agent, U.S. Bancorp Fund Services, LLC (the "Transfer Agent") or your financial intermediary. It is expected that such an election, if exercised, would apply to all future dividends and capital gains distributions to which an investor is entitled until such time as such Subsequent Fund is no longer available for investment, unless such investor revokes such election. If at any time after the expiration of the Subscription Period there is no Subsequent Fund open to new investment, you will receive dividends and capital gains distributions in cash. See "Certain Federal Income Tax Considerations" and "Dividend Reinvestment Plan" below for additional information regarding dividends and distributions and a discussion of the federal income tax treatment of reinvestment of dividends. The Adviser may decide not to launch any such Subsequent Fund or may modify the subscription period of any such Subsequent Fund in its sole discretion.

Term. The Fund expects to have a term of approximately eight years after it commences investment operations and before it starts the wind-down process, which term may be extended by the Board without shareholder approval. At the end of such term, the Fund expects the Adviser to recommend a plan of liquidation that, if approved by the Board, will be carried out without shareholder approval. The plan of liquidation is expected to take up to twenty-four months to complete, and the Fund may deviate from its investment strategies during this time. In the event the Fund's plan of liquidation takes longer than twenty-four months to complete, the Board may exercise its discretionary authority to extend the term of the Fund. See "Term and Wind-Down Process."

Investment in the Fund involves substantial risks. The Fund is generally sold only to (i) institutional investors, including registered investment advisers ("RIAs"), that meet certain qualifications and have completed an educational program provided by the Adviser; (ii) clients of such institutional investors; and (iii) certain other Eligible Investors (as defined in "How to Buy Shares" below). The minimum initial account size is $15 million, subject to certain exceptions. See "Investment Minimums" below. Investors should carefully consider the Fund's risks and investment objective, as an investment in the Fund may not be appropriate for all investors and is not designed to be a complete investment program. An investment in the Fund involves a high degree of risk. It is possible that investing in the Fund may result in a loss of some or all of the amount invested. Before making an investment/allocation decision, investors should (i) consider the suitability of this investment with respect to an investor's or a client's investment objective and individual situation and (ii) consider factors such as an investor's or a client's net worth, income, age and risk tolerance. Investment should be avoided where an investor/client has a short-term investing horizon and/or cannot bear the loss of some or all of their investment. Before investing in the Fund, an investor should read the discussion of the risks of investing in the Fund in "Investment Objective, Policies and Risks" below.

This prospectus sets forth concisely information you should know before investing in the Shares. You should read this prospectus carefully before deciding to invest in the Fund and you should retain it for future reference. A Statement of Additional Information dated December 17, 2019, as it may be amended, containing additional information about the Fund, has been filed with the Commission. The Statement of Additional Information, annual and semi-annual reports to shareholders and other information about the Fund can be obtained without charge by calling (855) 609-3680 or by visiting www.stoneridgefunds.com. A table of contents to the Statement of Additional Information is located at page 84 of this prospectus. This prospectus incorporates by reference the entire Statement of Additional Information. The Statement of Additional Information, as well as material incorporated by reference into the Fund's Registration Statement and other information regarding the Fund, are available from the EDGAR database on the Commission's internet site *(www.sec.gov)* or by electronic mail at *publicinfo@sec.gov*. The Fund's address is 510 Madison Avenue, 21st Floor, New York, NY 10022.

Shares of the Fund do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

An investor should not construe the contents of this prospectus as legal, tax or financial advice. You should consult your own professional advisers as to legal, tax, financial or other matters relevant to the suitability of an investment in the Fund.

Beginning on January 1, 2021, as permitted by regulations adopted by the Commission, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from your financial intermediary or, if you invest directly through the Transfer Agent, from the Fund's Transfer Agent. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications electronically by contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge by contacting your financial intermediary or, if you invest directly through the Transfer Agent, by contacting the Transfer Agent at (855) 609-3680. Your election to receive reports in paper will apply to all funds held in your account if you invest through a financial intermediary or all funds within the fund complex if you invest directly through the transfer agent.

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PROSPECTUS SUMMARY

This is only a summary. This summary may not contain all of the information that you should consider before investing in the Fund's shares ("Shares"). You should review the more detailed information contained in this prospectus and in the Statement of Additional Information. In particular, you should carefully read the risks of investing in the Fund's Shares, as discussed under "Investment Objective, Policies and Risks — Risk Considerations." When used in this prospectus, the term "invest" includes both direct investing and indirect investing, and the term "investments" includes both direct investments and indirect investments. For example, the Fund invests indirectly by investing through its 100% owned and controlled subsidiaries (each, a "Subsidiary") or private investment vehicles.

The Fund

Stone Ridge Residential Real Estate Income Fund I, Inc. (the "Fund") is a non-diversified, closed-end management investment company that intends to continuously offer its Shares during a Subscription Period (as defined below) of approximately two years after the Fund commences investment operations. The Fund is a Maryland corporation and intends to elect to be taxed as a real estate investment trust (a "REIT") for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). The Fund is operated as an "interval fund" (as defined below). An investment in the Fund may not be appropriate for all investors.

Stone Ridge Asset Management LLC ("Stone Ridge" or the "Adviser") is the Fund's investment adviser.

The Offering

The Fund's Shares are offered on a continuous basis at net asset value ("NAV") per Share during a subscription period of approximately two years after the Fund commences investment operations (the "Subscription Period"). The Fund may close at any time during the Subscription Period to new investments and, during such closings, only the reinvestment of dividends by existing shareholders will be permitted. The Fund may re-open to new investment and subsequently close again to new investment at any time during the Subscription Period at the discretion of the Adviser. The Fund intends to close to new investments after the Subscription Period but it may re-open and subsequently close again to new investment at the discretion of the Adviser.

The Fund's Shares are offered through ALPS Distributors, Inc. (the "Distributor"), as the exclusive distributor, on a best efforts basis. The minimum initial investment is $15 million, subject to certain exceptions. The Fund reserves the right to reject a purchase order for any reason. See "Shareholder Guide — How to Buy Shares" below. Shareholders will not have the right to redeem their Shares. However, as described below, in order to provide liquidity to shareholders, the Fund conducts periodic repurchase offers for a portion of its outstanding Shares.

Periodic Repurchase Offers

The Fund is an "interval fund," a type of fund that, in order to provide liquidity to shareholders, has adopted a fundamental investment policy to make annual offers to repurchase between 5% and 25% of its outstanding Shares at NAV. Subject to applicable law and approval of the Board, for each annual repurchase offer, the Fund expects to offer to repurchase a maximum of 5% of the Fund's outstanding Shares at NAV, which is the minimum amount permitted by its fundamental investment policy. The Fund makes annual repurchase offers in the month of November. Written notification of each annual repurchase offer (the "Repurchase Offer Notice") is sent to shareholders at least 21 calendar days before the repurchase request deadline (*i.e.*, the date by which shareholders can tender their Shares in response to a repurchase offer) (the "Repurchase Request Deadline"). The Fund's Shares are not listed on any securities exchange and there is no secondary market for the Shares. Accordingly, you may not be able to sell Shares when and/or in the amount that you desire. Thus, the Shares are appropriate only as a long-term investment. Notwithstanding the foregoing, the Fund may consider listing its Shares in the future. In addition, the Fund's repurchase offers may subject the Fund and shareholders to special risks. See "Principal Risks of the Fund — Repurchase Offers Risk" below.

Investment Objective and Principal Investment Policies

The Fund's investment objective is to achieve long-term capital appreciation and current income. There can be no assurance that the Fund will achieve its investment objective.

The Fund pursues its investment objective primarily by investing in private investment vehicles that acquire, hold, and operate single family rental properties. The Fund may also acquire homes directly, including through one or more Subsidiaries. In addition, the Fund may invest in mortgage loans and other debt instruments secured by single family rental properties and preferred equity in entities holding single family homes (together with the investments described previously in this paragraph, "single family rental investments").

Under normal circumstances, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes in single family rental investments. As a matter of fundamental policy, the Fund concentrates its investments in the real estate industry and has adopted a policy to invest at least 25% of its total assets in the real estate industry.

Single Family Rental Investments

Most of the Fund's portfolio will consist of interests in private investment vehicles that own or otherwise have interests in single family rental properties. The Fund may also hold direct interests in single family rental properties. The Fund may hold direct and indirect investments in homes leased through traditional lease arrangements, or single family rental homes sourced and managed by real estate operator(s) (as defined below) that operate a program under which a lessee has the right to purchase such home in the future. The Fund may also invest in mortgage loans and other debt instruments secured by single family rental properties and preferred equity in entities holding single family rental homes. The Fund intends to invest in single family rental investments across a wide range of geographic regions and metropolitan areas within the United States but may at times hold a substantial portion of its single family rental investments in a limited number of geographic regions. Single family rental investments may generate income for the Fund through rental income that the Fund receives or through interest payments, dividends or other distributions, which may be supported by rental income generated by underlying properties. Single family rental investments may also increase in value, positioning the Fund to achieve capital appreciation.

The Fund intends to make single family rental investments primarily through private investment vehicles that acquire, hold and operate single family rental properties. In carrying out such investment strategy, the Fund seeks to invest in private investment vehicles that acquire, improve and manage single family rental properties in different geographic regions within the United States (the sponsor of each such private investment vehicle, a "real estate operator"). In general, a real estate operator locates properties based on certain acquisition criteria such as geographic locations, acquisition costs and features of the properties, has such private investment vehicles acquire such properties, improves the conditions of the properties if necessary, leases such properties to tenants, manages the properties on an ongoing basis and facilitates the sale of properties when appropriate. These private investment vehicles will typically be partnerships or limited liability companies. The Fund expects the applicable real estate operator to hold equity in any such vehicle alongside the Fund and if applicable, other third-party financial investors. The terms of any particular vehicle will be established on a case-by-case basis considering all relevant facts, including the nature and attributes of the other equity investors in such vehicle, the proposed structure of the investment, the nature of the operations, the liabilities and assets associated with the proposed vehicle and the size of the Fund's interest in such vehicle. In certain cases, the Fund will negotiate the operating agreement, property management agreement, administration agreement and/or other agreements in connection with its investment in a private investment vehicle, or, in other cases, may invest in vehicles with preexisting and established terms. The Fund will not control the day-to-day management of the affairs of a private investment vehicle but expects to have consent and approval rights with respect to certain major decisions to be carried out by such vehicle. The applicable real estate operator or an affiliate will act as the general partner or managing member and manage the day-to-day operations of each private investment vehicle. Typically an affiliate of the real estate operator will also manage the properties owned by the vehicle, and the vehicle will pay an ongoing property management fee to the property manager. In addition, the vehicle will typically pay an administration fee to its general partner or manager (or an affiliate thereof). Although it is expected that a general alignment occurs, the Fund's interests may not be totally aligned with those of other investors or the real estate operator. See "Risks of Private Investment Vehicles."

The Fund does not expect to hold individual properties directly (including through one or more Subsidiaries) initially, but may acquire such properties directly in the future. In such cases, the Fund would enter into a purchase agreement or similar agreement with such real estate operator that sets forth the general terms of the Fund's purchase of homes through such operator, including, for example, the acquisition criteria, the expected volume of purchases, fees and expenses payable to such operator or any third-party vendor and the closing mechanism for each transfer. As the real estate operator locates properties according to the terms of the purchase agreement, the Fund would have the option (but not the obligation) to acquire all rights, title and interest in such properties through customary real estate transfer processes. The real estate operator or its affiliate would typically continue to manage the property under a property management agreement with the Fund and collect and process rental incomes when due and pay such income to the Fund, less any property management fees assessed against the Fund. Such operator may also help facilitate the Fund's disposition of the properties under its purchase agreement with the Fund or under separate documentation negotiated at the time of such disposal.

When investing in single family rental homes through private investment vehicles, or acquiring homes directly through real estate operators, the Fund generally does not expect to review the particular characteristics of each property that it directly or indirectly acquires, but rather negotiate, when reasonably possible to do so, before the Fund invests its assets in a private investment vehicle, the general criteria of the investments, including the acquisition cost, expected rental income, geographic location and physical features such as size, property age and number of bedrooms of each property. The Fund will generally seek to invest directly or indirectly in single family rental properties with stable expected rental incomes as well as potential of appreciation in value. The Fund may, directly or indirectly through private investment vehicles, acquire or sell properties in bulk from or to other property owners.

In addition to acquiring single family rental investments as described above, the Fund may also invest in single family rental investments in the form of debt instruments (including participation interests in debt instruments) secured directly or indirectly by single family rental properties, including first mortgage loans on individual or a pool of properties that have the highest priority to claims on the collateral securing the loans, subordinate mortgage loans on individual or a pool of properties that have a lower priority to collateral claims and mezzanine loans that are secured by one or more direct or indirect ownership interests in an entity that directly or indirectly owns properties. In addition, the Fund may invest in preferred equity securities issued by entities that own, directly or indirectly, single family rental properties. Such debt instruments and preferred equity securities may be issued by private investment vehicles sponsored by a real estate operator. The Fund will not invest in subprime mortgage loans or securities backed by subprime mortgage loans.

The Adviser, as part of its portfolio construction process, performs extensive due diligence on transactions that the Adviser proposes to enter into on behalf of the Fund. Although the Fund may pursue investments through a wide array of sources, a large proportion of the Fund's portfolio may consist of assets obtained from or through a small number of real estate operators, potentially giving the Fund high exposure to the potential benefits and risks associated with those operators.

The Adviser retains broad flexibility to allocate Fund assets to different types of residential real estate investments in its discretion based on market opportunities, market conditions and investment-specific and other considerations. Subject to constraints associated with its status as a REIT and a registered investment company, the Fund is not subject to limits on the percentage of its portfolio that it can allocate to a single private investment vehicle, assets it obtains from or through a single real estate operator, or any particular type of single family rental investment.

Cash and Cash Equivalents

For liquidity management or temporary defensive purposes, the Fund may invest in cash, money market instruments, U.S. or non-U.S. government debt securities or other cash-equivalent instruments.

Hedging

The Fund may seek to hedge its exposure to interest rate risks that arise as a result of its investments. The Fund may use forwards, futures, swaps or other exchange-traded or over-the-counter ("OTC") derivatives or may purchase or sell physical currency, bonds or other securities or instruments, including short sales on assets the Fund does not own, which may require the Fund to pay a premium to borrow the assets sold short and to pay the lender any dividends or interest received on the assets while borrowed. There can be no guarantee the Fund's hedging activities will effectively offset any adverse impact of interest rates.

Leverage

The Fund typically obtains leverage in seeking to achieve its investment objective. The Fund may obtain financing to make investments in single family rental investments. Such borrowings are typically secured by investments held by the Fund. The Fund may also have exposure to leverage through investments in private investment vehicles that in turn incur leverage on their investments. The Fund expects to have exposure to leverage consisting of property-level debt (mortgages on properties or pools of properties where there is generally no recourse to the Fund) and entity-level debt (non-mortgage debt at the Fund level). Property-level debt will generally be incurred by a private investment vehicle that the Fund invests in or a special purpose vehicle held by the Fund, and will be secured by real estate owned by such vehicles. Such vehicles would own real estate assets and would borrow from a lender using the owned properties as mortgage collateral. If any such vehicle were to default on a loan, the lender's recourse would be to the mortgaged property owned by such vehicle and the lender would typically not have a claim to other assets of the Fund. The Fund may also obtain leverage through investments, such as asset-backed securities, that may have embedded leverage. The Fund is not limited in the form or manner in which it may incur leverage.

The Investment Company Act of 1940, as amended (the "1940 Act"), requires a closed-end fund to have asset coverage of not less than 300% of the value of the outstanding amount of senior securities representing indebtedness (as defined in the 1940 Act) at the time of the indebtedness issuance. This means that the value of the Fund's senior securities representing indebtedness may not exceed one-third of the value of its total assets (including such senior securities), measured at the time the Fund issues the senior securities. The Fund will not treat non-recourse property-level borrowings incurred by a private investment vehicle that the Fund invests in or a special purpose vehicle owned by the Fund as senior securities for purposes of complying with the 1940 Act's limitations on leverage as described in the preceding sentence unless the financial statements of such vehicle holding such debt will be consolidated in the Fund's financial statements in accordance with Regulation S-X and other accounting rules. The Fund also may borrow money from banks or other lenders for temporary purposes in an amount not to exceed 5% of the Fund's assets. Such temporary borrowings are not subject to the asset coverage requirements discussed above in connection with the Fund's borrowings for investment purposes. Investments or trading practices that involve contractual obligations to pay in the future are subject to the same requirements unless the Fund designates liquid assets in an amount the Fund believes to be equal to the Fund's contractual obligations (marked-to-market on a daily basis) or appropriately "covers" such obligations with offsetting positions.

Leverage can have the effect of magnifying the Fund's exposure to changes in the value of its assets and may also result in increased volatility in the Fund's NAV. This means the Fund will have the potential for greater gains, as well as the potential for greater losses, than if the Fund owned its assets on an unleveraged basis. The value of an investment in the Fund will be more volatile and other risks tend to be compounded to the extent that the Fund is exposed to leverage directly or indirectly.

Investment Adviser

Stone Ridge is the investment adviser of the Fund. As of October 31, 2019, Stone Ridge managed approximately $14 billion of assets. Daniel Cook, James Egan, Martin Esteverena and Paul Germain (the "Portfolio Managers") are jointly and primarily responsible for the day-to-day management of the Fund. See "Management of the Fund" below.

Distributions

The Fund intends to declare and pay dividends of substantially all net investment income and net realized capital gains, if any, at least annually, although the Fund may declare and pay dividends more frequently (*e.g.*, quarterly). Unless shareholders specify otherwise, dividends will be reinvested in Shares of the Fund during the Subscription Period. After the expiration of the Subscription Period, it will no longer be possible for you to reinvest dividends and capital gains distributions in the Fund. However, following the Subscription Period, you may be given the opportunity to elect to have all dividends and capital gains distributions automatically invested in a Subsequent Fund, to the extent a Subsequent Fund is available for investment at the time of such dividend or distribution. See "Certain Federal Income Tax Considerations" and "Dividend Reinvestment Plan" below. The Fund may pay distributions from sources that may not be available in the future and that are unrelated to the Fund's performance, such as from offering proceeds and borrowings.

Subsequent Fund

The Adviser intends to launch a series of non-diversified, closed-end management investment companies with investment objectives, policies and strategies substantially similar to those of the Fund (each such fund, a "Subsequent Fund"). The Adviser expects each Subsequent Fund to be a Maryland corporation electing to be taxed as a REIT for U.S. federal income tax purposes and to have an interval fund structure similar to that of the Fund pursuant to which such Subsequent Fund will conduct annual repurchase offers. The Adviser intends to launch the first Subsequent Fund following the expiration of the Subscription Period of the Fund, and such Subsequent Fund is expected to continuously offer its shares during a subscription period of approximately two years and is then expected to close to new investment. The Adviser intends to repeat this process such that at any time following the expiration of the Subscription Period of the Fund or a Subsequent Fund, there will be only one Subsequent Fund open to new investment. The Adviser may decide not to launch any such Subsequent Fund or may modify the subscription period of any such Subsequent Fund in its sole discretion. In addition, subject to the first sentence of this paragraph, the Adviser retains the flexibility to adjust the strategies of a Subsequent Fund based on market conditions and other considerations. Subsequent Funds may not have identical strategies to the Fund or each other, and investors may have investments in the Fund and in one or more Subsequent Funds simultaneously.

Term. The Fund expects to have a term of approximately eight years after it commences investment operations and before it starts the wind-down process, which term may be extended by the Board without shareholder approval. At the end of such term, the Fund expects the Adviser to recommend a plan of liquidation that, if approved by the Board, will be carried out without shareholder approval. The plan of liquidation is expected to take up to twenty-four months to complete, and the Fund may deviate from its investment strategies during this time. In the event the Fund's plan of liquidation takes longer than twenty-four months to complete, the Board may exercise its discretionary authority to extend the term of the Fund. See "Term and Wind-Down Process."

Unlisted Closed-end Fund Structure; Limited Liquidity

The Fund's Shares are not listed for trading on any national securities exchange. There is currently no secondary market for its Shares, although the Fund may consider listing its Shares in the future. Shareholders of the Fund are not able to have their Shares repurchased or otherwise sell their Shares on a daily basis because the Fund is an unlisted closed-end fund. In order to provide liquidity to shareholders, the Fund is structured as an "interval fund" and conducts periodic repurchase offers for a portion of its outstanding Shares, as described herein. An investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the Shares. Investors should consider their investment goals, time horizons and risk tolerance before investing in the Fund.

Distributor, Transfer Agent and Custodian

ALPS Distributors, Inc., of Denver, Colorado, is the Fund's Distributor. U.S. Bancorp Fund Services, LLC, of Milwaukee, Wisconsin is the Fund's transfer agent, administrator and accounting agent. U.S. Bank NA, of Milwaukee, Wisconsin is the Fund's custodian and also is the custodian for assets held by the Fund's Subsidiaries. The Adviser pays fees to the Distributor as compensation for the services it renders. The Fund compensates the transfer agent and the custodian for their services. See "Distribution and Servicing Arrangements" below.

SPECIAL RISK CONSIDERATIONS

An investment in the Fund involves special risk considerations. You should consider carefully the risks summarized below, which are described in more detail under "Investment Objective, Policies and Risks — Risk Considerations" below.

Investors should carefully consider the Fund's risks and investment objective, as an investment in the Fund may not be appropriate for all investors and is not designed to be a complete investment program. An investment in the Fund involves a high degree of risk. It is possible that investing in the Fund may result in a loss of some or all of the amount invested. Before making an investment/allocation decision, investors should (i) consider the suitability of this investment with respect to an investor's or a client's investment objectives and individual situation and (ii) consider factors such as an investor's or a client's net worth, income, age and risk tolerance. Investment should be avoided where an investor/client has a short-term investing horizon and/or cannot bear the loss of some or all of the investment. The Fund is subject to the principal risks noted below, whether through the Fund's direct investments, investments by its Subsidiaries or investments through private investment vehicles.

Real Estate Investment Risk Generally. The Fund is subject to risks typically associated with real estate, including:

- changes in global, national, regional or local economic, demographic or capital market conditions;
- future adverse national real estate trends, including increasing vacancy rates, declining rental rates and general deterioration of market conditions;
- changes in supply of or demand for similar properties in a given market or metropolitan area, which could result in rising vacancy rates or decreasing market rental rates;
- the occupancy rate of, and the rental rates charged at, properties and the ability to collect on a timely basis all rent;
- lack of liquidity inherent in the nature of the assets;
- increased competition for properties targeted by the Fund's investment strategy;
- property location and conditions, property management decisions and property operating costs, including insurance premiums, real estate taxes, maintenance costs and the expense of leasing, renovation or constructions;

- reliance on tenants, managers and real estate operators that the Fund works with in acquiring and managing assets to operate their businesses in an appropriate manner and in compliance with their contractual arrangements with the Fund;

- bankruptcies, financial difficulties or defaults by tenants of the properties in which the Fund invests, real estate operators that the Fund works with in acquiring and managing assets, property managers or any other third party that is involved in the Fund's operation;

- increases in interest rates and lack of availability of financing;

- cost of compliance with applicable federal, state, and local laws and regulations; changes in laws, including laws that increase operating expenses or limit rents that may be charged and changes in state or local zoning laws; changes in governmental rules, regulations and fiscal policies;

- changes in government rules, regulations and fiscal policies, including increases in property taxes, changes in zoning laws, limitations on rental rates, and increasing costs to comply with environmental laws;

- bad acts of third parties; and

- unforeseeable events such as social unrest, civil disturbances, terrorism, earthquakes, hurricanes and other natural disasters.

Many of these factors are beyond the control of the Fund. Any negative changes in these factors could affect the Fund's performance and its ability to meet its obligations and make distributions to shareholders.

Portfolio Concentration Risk. The Fund's portfolio will be concentrated at any time in the real estate industry, with a focus on single family rental investments, and may be heavily concentrated at any time in only a limited number of geographies or investments, and, as a consequence, the aggregate return of the Fund may be substantially affected by the unfavorable performance of even a single investment. Concentration of investments in a particular type of asset or geography makes the Fund more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular type of asset or geography. As a matter of fundamental policy, the Fund concentrates its investments in the real estate industry and has significant exposure to the risks associated with this industry.

Single Family Rental Market Risk. Most of the Fund's portfolio will consist of interests in private investment vehicles that own or otherwise have interests in single family rental properties. The Fund may also have direct interests in single family rental properties or debt instruments or preferred equity securities providing exposure to such properties. The Fund's investment strategy involves sourcing assets through operators that purchase, renovate, maintain, and manage a large number of single family rental properties and leasing them to qualified residents through third-party property managers or leasing agents. Until recently, the single family rental business consisted primarily of private and individual investors in local markets and was managed individually or by small, non-institutional owners and property managers. Entry into this market by large, well-capitalized investors is a relatively recent trend, so few peer funds or companies exist and none have yet established long-term track records that might assist the Adviser in predicting whether such business model and investment strategy can be implemented and sustained over an extended period of time. It may be difficult for investors to evaluate the Fund's potential future performance without the benefit of established long-term track records from companies implementing a similar business model.

Risks of Seasonal Fluctuations in Single Family Rental Demand and Downturns in the Residential Properties Sector. A downturn or slowdown in the rental demand for single family housing caused by adverse economic, regulatory, or environmental conditions, or other events may have a greater impact on the value of the

Fund's assets or operating results than if the Fund had more fully diversified its investments. There may be seasonal fluctuations in rental demand, with demand higher in the spring and summer than in the late fall and winter. Such seasonal fluctuations may impact the Fund's performance.

In addition to general, regional, national and international economic conditions, the Fund's performance will be impacted by the economic conditions in the markets where the Fund holds assets. The Adviser bases a substantial part of its investment strategy on the belief that property values and operating fundamentals for single family properties in the markets where the Fund holds assets will improve over the term of the Fund. However, certain of these markets have experienced substantial economic downturns in certain years and could experience similar or worse economic downturns in the future. There is no assurance as to the extent property values and operating fundamentals will improve. If historical economic downturns recur, the value of these assets could decline, which could adversely affect the Fund's performance and its ability to make distributions to shareholders.

Real Estate Operator Risks. The Fund intends to work with real estate operators that source and manage investments in single family rental properties. When the Fund acquires assets in this manner, the Fund relies on such third party or one or more vendors hired by such party to locate and perform due diligence on, and evaluate the investment characteristics of, such assets. The Fund may have limited knowledge about the assets, and is dependent upon the applicable operator for information regarding such assets, especially when the Fund acquires assets in bulk through such operator. Although the Fund conducts diligence on the operators, the Fund may not have the ability to independently verify the information provided by the operators. The Fund may not review the particular characteristics of the assets in which it invests at the time of investment, but rather negotiate the general criteria of the investments before it invests its assets in any private investment vehicles sponsored by an operator.

In addition, when the Fund purchases single family rental properties directly or indirectly through a real estate operator, the operator, or an affiliate of the operator, typically continues to act as the property manager of the properties. When the Fund purchases debt instruments secured directly or indirectly by single family rental properties from an operator or bank originating such instruments, such entity typically continues to service the instruments. In the event that such operator is unable to act as the property manager or the servicer, as applicable, there is no assurance that a backup property manager or backup servicer will be able to assume responsibility in a timely or cost-effective manner; any resulting disruption or delay could jeopardize payments due to the Fund in respect of its investments or increase the costs associated with the Fund's investments. The Fund faces certain risks arising from the potential for an operator to have financial interests that are not aligned with the Fund's interests.

A large proportion of the Fund's portfolio may consist of assets obtained from or through a small number of operators, potentially giving the Fund high exposure to the risks associated with those operators. The Fund is not subject to a stated limit on the percentage of its portfolio that it can allocate to assets it obtains from a single real estate operator.

Risks of Private Investment Vehicles. The Fund intends to make single family rental investments by investing in private investment vehicles operated and administered by real estate operators. The Fund expects the applicable real estate operator to also hold equity in such vehicles alongside the Fund and if applicable, other third-party financial investors. Such investments may involve risks not otherwise present with other methods of investment, including, for instance, the following risks and conflicts of interest:

- real estate operators managing private investment vehicles or their affiliates may have economic or other interests that are inconsistent with the Fund's interests, including interests relating to the financing, management, operation, leasing or sale of the assets purchased by such private investment vehicle;
- real estate operators managing private investment vehicles or their affiliates may receive ongoing fees from the investment vehicles, including promote payments, fees for services provided and potential buyouts of their equity investments, all of which may reduce amounts otherwise payable to the Fund;

- real estate operators managing private investment vehicles could become insolvent or bankrupt;
- fraud or other misconduct by real estate operators managing private investment vehicles;
- the Fund may own non-voting interests in a private investment vehicle, may have no decision-making authority or may share decision-making authority with a real estate operator or other investors in a private investment vehicle regarding certain major decisions affecting the ownership of the vehicle or assets of the vehicle, such as the sale of the assets or the making of additional capital contributions for the benefit of the assets, which may prevent the Fund from taking actions that it would otherwise desire to take;
- under certain arrangements, no party may have the power to control the private investment vehicle and, under certain circumstances, an impasse could result regarding cash distributions, reserves, or a proposed sale or refinancing of the investment, and this impasse could have an adverse impact on the vehicle, which could adversely impact the operations and profitability of the vehicle and/or the amount and timing of distributions the Fund receives from such vehicle;
- real estate operators managing private investment vehicles or other investors or their affiliates may at any time have economic or business interests or goals that are in conflict with the Fund's business interests or goals, including, for instance, the operation of the properties;
- other investors in private investment vehicles may be structured differently than the Fund for tax purposes and this could create conflicts of interest and risk to the Fund's ability to qualify as a REIT;
- the Fund may rely upon real estate operators to manage the day-to-day operations of the vehicle and underlying assets, as well as to prepare financial information for the vehicle, and any failure to perform these obligations may have a negative impact on the Fund's performance and results of operations;
- real estate operators managing private investment vehicles may experience a change of control, which could result in new management of such real estate operator or investor with less experience or conflicting interests to the Fund and be disruptive to the Fund's business;
- real estate operators managing private investment vehicles may be in a position to take action contrary to the Fund's instructions or requests or contrary to the Fund's policies or objectives, including the Fund's policy with respect to maintaining its qualification as a REIT;
- the terms of private investment vehicles could restrict the Fund's ability to sell or transfer its interest to a third party when it desires on advantageous terms, which could result in reduced liquidity;
- the Fund, a real estate operator managing a private investment vehicle or another investor may have the right to trigger a buy-sell arrangement, which could cause the Fund to sell its interest, or acquire such real estate operator or other investor's interest, at a time when the Fund otherwise would not have initiated such a transaction; and
- real estate operators managing private investment vehicles may not have sufficient personnel or appropriate levels of expertise to adequately support the Fund's initiatives.

Any of the above might subject the Fund to liabilities and thus reduce its returns on that private investment vehicle.

Rental Risk Generally. Lease defaults, terminations by one or more tenants or landlord-tenant disputes may reduce the Fund's revenues and net income. Any of these situations may result in extended periods during which there is a significant decline in revenues or no revenues generated by a property. If this occurred, it could adversely affect the Fund's performance.

In addition, the Fund's investments in real estate will be pressured in challenging economic and rental market conditions. If the Fund or any private investment vehicle through which the Fund invests in single family rental properties experiences difficulties in re-letting or renewing leases for properties or if the rental rates upon such renewal or re-letting are significantly lower than expected, the Fund will experience a reduction in net income and may be required to reduce or eliminate cash distributions.

Negative Interest Rates and Deflation Risk. Interest rates in the United States and many parts of the world, including certain European countries, are at or near historically low levels. Similarly, inflation rates in the United States and many parts of the world are at low levels. In addition, certain foreign governments and central banks have implemented or may implement so-called negative interest rates (e.g., charging depositors who keep their cash at a bank) to spur economic growth. Further Federal Reserve or other U.S. or non-U.S. governmental or central bank actions, including contrary actions by different governments, could negatively affect financial markets generally, increase market volatility and reduce the value and liquidity of securities in which the Fund invests. Changing interest rates, including rates that fall below zero, and deflation may negatively impact different aspects of the Fund's operations. For example, any negative effects of such changes on the general economy may weaken the labor market and lead to a decrease in demand for single family rental properties, resulting in a decline in rental income to the Fund and/or values of properties held by the Fund. Such changes may also reduce the profitability of banks and other financial institutions that provide financing to the Fund, making it more difficult for the Fund to obtain leverage in its investments. Because single family rental properties are generally acquired using indebtedness, and because the Fund may use leverage and may invest in debt instruments, risks associated with the interest rate and general economic environment may be especially significant for the Fund. The full impact of these changes on the U.S. and global economies, the markets, and the practical implications for market participants including the Fund, may not be fully known for some time.

Risk of Competition for Quality Residents. The Fund depends on rental income from tenants for a substantial amount of its income. As a result, the Fund's performance depends in large part upon its ability to invest in single family rental investments that attract and retain qualified residents. The Fund, and the real estate operators through which the Fund acquires single family rental investments, face competition for residents from other lessors of single family properties, apartment buildings, and condominium units. Competing properties may be newer, better located, and more attractive to residents. Many of these competitors may successfully attract residents with better incentives and amenities. Additionally, some competing housing options may qualify for government subsidies that may make such options more accessible and therefore more attractive than properties the Fund invests in. These sources of competition could adversely affect the ability of the Fund and the relevant real estate operator to obtain quality residents and lease single family properties on favorable terms.

In addition, increases in unemployment levels and other adverse changes in economic conditions in the markets in which the Fund holds single family rental investments may adversely affect the creditworthiness of potential residents, which may decrease the overall number of qualified residents for properties within such markets. The Fund could also be adversely affected by overbuilding or high vacancy rates of homes in such markets, which could result in an excess supply of homes and reduce occupancy and rental rates. Continuing development of apartment buildings and condominium units in many markets will increase the supply of housing and exacerbate competition for residents.

In addition, improving economic conditions, along with the availability of low residential mortgage interest rates and government sponsored programs to promote home ownership, have made home ownership more accessible for potential renters who have strong credit. These factors may encourage potential renters to purchase residences rather than lease them, thereby causing a decline in the number and quality of potential residents available to the Fund.

Risk of Competition for Assets. Identifying, completing and realizing attractive portfolio investments is competitive and involves a high degree of uncertainty. The Fund's profitability depends, in large part, on its ability to acquire target assets at attractive prices. In acquiring its target assets, the Fund will compete with developers and other institutional investors including specialty finance companies, public and private funds, REITs, commercial and investment banks, commercial finance and insurance companies and other financial institutions, some of which have greater financial resources and a lower cost of capital than the Fund does. The Fund also competes with individual private home buyers and small-scale investors. Several REITs and other funds have deployed, and others may in the future deploy, significant amounts of capital to purchase single family homes and may have investment objectives that overlap and compete with those of the Fund. As a result of this competition, desirable investments in the Fund's target assets may be limited in the future and the Fund may not be able to take advantage of attractive investment opportunities from time to time, as the Fund can provide no assurance that it will be able to identify and make investments that are consistent with its investment objective. The Fund cannot assure you that the competitive pressures it faces will not have a material adverse effect on its financial condition or the Fund's ability to locate, consummate and exit investments that satisfy its investment objective.

Tenant Bankruptcy Risk. There can be no assurance that any tenant that files for bankruptcy protection will continue to pay rent. A bankruptcy filing by, or relating to, a tenant or a lease guarantor would bar efforts by the property owner to collect pre-bankruptcy debts from that tenant or lease guarantor, or its property, unless the property owner receives an order permitting it to do so from the bankruptcy court. In addition, the property owner cannot evict a tenant solely because of bankruptcy. The bankruptcy of a tenant or lease guarantor could delay efforts to collect past due balances under the relevant leases, and could ultimately preclude collection of these sums. If a tenant or a lease guarantor of a property in which the Fund invests files for bankruptcy, the Fund may suffer a loss in such investment.

Alternative Lease Arrangement Risk. The Fund may invest in properties sourced and managed by real estate operator(s) that operate an alternative lease program under which a tenant has the right to purchase such home in the future at a certain predetermined price. Such programs are relatively new to the market and any operator operating such programs generally has a limited track record in operating such programs, which subjects the Fund's investment in these assets to significant risks. For example, an investment in an alternative lease program may not achieve its targeted acquisition yields if proprietary algorithms used by the operator fail to properly analyze market and micro-market factors, and the operator may be unsuccessful in forecasting the rate of lease renewals and home purchases under the alternative lease program. An increase in mortgage interest rates may result in fewer residents exercising their right to purchase their homes, whereas a decrease in mortgage interest rates may result in potential residents being more likely to purchase homes instead of renting homes through the alternative lease program and existing residents being more likely to exercise their rights to purchase their homes. In addition, the average monthly rent of the homes in the portfolio and the impact of other benefits of such alternative lease programs may decrease over time as the portfolio ages and an increasing percentage of the homes in the portfolio transition to a traditional rental program, which may result in decreased rents and lower rental rates, and the operator may be unable to promptly re-lease homes in the portfolio that transition away from the alternative lease program. To the extent that one or more of the above risks is realized, the Fund's investments in homes under such programs may experience losses. In addition, the applicable real estate operator may encounter other unexpected problems in operating such programs, which could materially and adversely affect the Fund's investments in such homes.

Portfolio Acquisitions and Dispositions. The Fund may, directly or indirectly through a private investment vehicle, acquire or sell properties in bulk from or to other property owners, banks, and loan servicers. When the Fund purchases properties in this manner, the Fund generally does not expect to have the opportunity to conduct in-person inspections on the properties. Bulk portfolio acquisitions are also more complex than single property acquisitions, and the Fund may not be able to implement this strategy successfully. The costs involved in locating and performing due diligence (when feasible) on portfolios of homes, as well as negotiating and entering into transactions with potential portfolio sellers, could be significant, and there is a risk that either the seller may withdraw from the entire transaction for failure to come to an agreement or the seller may not be willing to sell the bulk portfolio on terms that the Fund views as favorable. In addition, a seller may require that a group of homes be purchased as a package even though the Fund may not want to purchase certain individual assets in the bulk portfolio. Moreover, financial and other information provided to the Adviser regarding such portfolios during its due diligence may be inaccurate, and the Adviser may not discover such inaccuracies until it is too late to seek remedies against such sellers.

From time to time the Fund may engage, directly or indirectly, in bulk portfolio dispositions of properties consistent with its investment strategy. With respect to any such disposition, the purchaser may default on payment or otherwise breach the terms of the relevant purchase agreement, and it may be difficult for the Fund to pursue remedies against such purchaser or retain or resume possession of the relevant properties.

Property Manager Risk. The Fund hires, directly or indirectly, property managers to manage properties and leasing agents to lease vacancies in properties. When the Fund acquires properties through a real estate operator or through a private investment vehicle sponsored by a real estate operator, an affiliate of such operator typically serves as the property manager of the properties. The property managers have significant decision-making authority with respect to the management of properties the Fund owns directly or indirectly. The ability of the Adviser to direct and control how the properties in which the Fund has an investment are managed on a day-to-day basis is limited because it generally expects to engage other parties to perform this function, because the interest the Fund has in the private investment vehicle may be non-voting or for other reasons. Any adversity experienced by, or problems in the Fund's relationship with, property managers or leasing agents could adversely impact the operation and profitability of properties owned directly or indirectly by the Fund.

Cost Overrun and Non-Completion Risk. A substantial portion of the rental properties that the Fund may invest in may require some level of renovation either immediately upon their acquisition or in the future following expiration of a lease or otherwise. The Fund may acquire properties that require extensive renovation and capital expenditures. In addition, from time to time, properties the Fund invests in may require ongoing maintenance or significant renovations and repairs. The Fund intends to rely on third-party service providers, including those affiliated with the real estate operators from which the Fund acquired assets, to manage any such renovations or maintenance. The Fund is exposed to all of the risks inherent in property renovation and maintenance, including potential cost overruns, increases in labor and materials costs, delays by contractors in completing work, delays in the timing of receiving necessary work permits, certificates of occupancy, and poor workmanship. Costs of construction or improvements to bring a property up to standards established for the market position intended for that property may exceed original estimates, possibly making a project uneconomical. Other risks may include environmental risks and construction, rehabilitation and if applicable, subsequent leasing of the property not being completed on schedule.

Similarly, the renovation, refurbishment or expansion of a mortgaged or leveraged property that directly or indirectly secures a debt instrument that the Fund holds involves risks of cost overruns and non-completion. If such construction or renovation is not completed in a timely manner, or if it costs more than expected, the borrower of a loan secured by such property that the Fund invests in may experience a prolonged impairment of net operating income and may not be able to make payments on the Fund's investment.

Property Taxes Risk. Depending on investment structure, the Fund is generally responsible, directly or indirectly, for paying all real property taxes applicable to properties owned by it. The property taxes may increase or decrease as property tax rates change and as the properties are assessed or reassessed by taxing authorities, with any increases in taxes having a negative effect on the performance of the Fund.

Regulatory Risks. The Fund may be adversely affected by new (or revised) laws or regulations imposed by federal, state or local authorities that affect the assets in which the Fund may invest. Because increases in state or local sales, income, service or transfer taxes are generally not passed through to tenants under leases, such increases may adversely affect the Fund's cash flow and its ability to make distributions to shareholders. Real property is also subject to governmental authorities at the federal, state and local levels who are actively involved in the promulgation and enforcement of regulations relating to land use and zoning restrictions. Regulations may be promulgated that could have the effect of restricting or curtailing certain uses of existing structures or requiring that such structures be renovated or altered in some fashion. The establishment of such regulations could have the impact of increasing the expenses and lowering the profitability of any of the properties affected thereby. Increased costs resulting from increases in real estate, income or transfer taxes or other governmental requirements generally may not be passed through directly to residents, tenants or lessees, inhibiting the ability of the Fund to recover such costs. In addition, the Fund may be adversely impacted by rent control or rent stabilization laws or other laws regulating housing that could prevent property owners from raising rents sufficiently to offset increases in operating costs or from removing delinquent tenants.

Limited Warranties Risk. The Fund may obtain only limited warranties when it purchases a property directly or indirectly, which will increase the risk that it may lose some or all of its invested capital in the property or rental income from the property that, in turn, could materially adversely affect the Fund's performance and the Fund's ability to make distributions.

Insurance Risk. Certain types of losses, generally of a catastrophic nature, such as earthquakes, floods and hurricanes, may be uninsurable or not economically insurable. The Fund or a private investment vehicle through which the Fund invests in properties, if applicable, may not obtain, or require tenants to obtain, certain types of insurance if it is deemed commercially unreasonable. Under such circumstances, the insurance proceeds, if any, might not be adequate to restore the economic value of the property, which might decrease the value of the property. As a result, the Fund could lose its investments in, and anticipated profits and cash flows from, a number of properties.

Environmental Risk. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner of real property, such as the Fund or a private investment vehicle through which the Fund owns real property and tenants, may be considered an owner, operator, or responsible party of such properties and therefore may be liable in certain circumstances for the costs of investigation, removal or remediation of, or related releases of, certain hazardous or toxic substances, including materials containing asbestos, at, under or disposed of in connection with such property, as well as certain other potential costs relating to hazardous or toxic substances, including government fines, liabilities, and damages for injuries to persons and adjacent property.

Furthermore, the Fund may invest in properties, or mortgage loans secured by properties, with environmental problems that materially impair the value of such properties. Even as a lender, if the Fund takes title to collateral with environmental problems or if other circumstances arise, the Fund could be subject to environmental liability. There are substantial risks associated with such an investment.

Mortgage Loan Risk. The Fund's debt investment in single family rental properties will be secured by properties and will be subject to risks of delinquency, loss, taking title to collateral and bankruptcy of the borrower. The ability of a borrower to repay a loan secured by real property is typically dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced or is not increased, depending on the borrower's business plan, the borrower's ability to repay the loan may be impaired. If a borrower defaults or declares bankruptcy and the underlying asset value is less than the loan amount, the Fund will suffer a loss. In this manner, real estate values could impact the value of the Fund's real estate debt investment.

In addition, the Fund may invest in mortgage loans that are not fully amortizing, which means that they may have a significant principal balance or balloon payment due on maturity. Full satisfaction of the balloon payment by a borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, as well as other factors such as the value of the property, the level of prevailing mortgage rates, the borrower's equity in the property and the financial condition and operating history of the property and the borrower. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan secured by an income-producing property will depend upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired.

Subordinated Real Estate Loan Risk. The Fund may acquire or originate subordinated real estate loans secured by single family rental properties. In the event a borrower defaults on a subordinated loan and lacks sufficient assets to satisfy such loan, the Fund may suffer a loss of principal or interest. In the event a borrower declares bankruptcy, the Fund may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. If a borrower defaults on a loan owned by the Fund or on debt senior to such loan, or in the event of a borrower bankruptcy, such loan will be satisfied only after the senior debt is paid in full. Where debt senior to a loan owned by the Fund exists, the presence of intercreditor arrangements may limit the Fund's ability to amend loan documents, assign loans, accept prepayments, exercise remedies (through "standstill periods"), and control decisions made in bankruptcy proceedings relating to borrowers.

Mezzanine Loan Risk. The Fund may invest in mezzanine loans that take the form of subordinated loans secured by a pledge of the ownership interests of either the entity owning single family rental properties or the entity that owns the interest in the entity owning the properties. These types of investments involve a higher degree of risk than first-lien mortgage loans secured by real property because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, the Fund may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy the Fund's mezzanine loan. If a borrower defaults on the Fund's mezzanine loan or debt senior to the Fund's loan, or in the event of a borrower bankruptcy, the Fund's mezzanine loan will be satisfied only after the senior debt. As a result, the Fund may not recover some or all of its investment. In addition, mezzanine loans may have higher loan-to-value ratios than conventional mortgage loans, resulting in less equity in the real property and increasing the risk of loss of principal.

Illiquidity Risk. The Fund is designed for long-term investors and an investment in the Fund's Shares should be considered illiquid. The Shares are not listed for trading on any securities exchange. There is no public market for the Shares, although the Fund may consider listing its Shares in the future.

The Fund's interval fund structure only provides limited liquidity. The Fund conducts annual repurchase offers for Shares, which the Fund expects to be for a maximum of 5% of the Fund's outstanding Shares. It is possible that a repurchase offer may be oversubscribed, with the result that shareholders may only be able to have a portion of their Shares tendered for repurchase actually repurchased on the desired repurchase date. There is no assurance that you will be able to tender your Shares when or in the amount that you desire.

To the extent consistent with the repurchase liquidity requirement of an interval fund, the Fund will invest primarily in illiquid investments. Because real estate investments are relatively illiquid, it may be difficult or impossible for the Fund to sell such assets at the time that the Fund would like or at the price that the Fund believes the investment is currently worth. The Fund's ability to realize full value in the event of the need to liquidate certain assets may be impaired and this may result in losses to the Fund. The Fund may be unable to sell its investments, even under circumstances when the Adviser believes it would be in the best interests of the Fund to do so. Illiquid investments may also be difficult to value and their pricing may be more volatile than more liquid investments, which could adversely affect the price at which the Fund is able to sell such instruments. The risks associated with illiquid instruments may be particularly acute in situations in which the Fund's operations require cash (such as in connection with repurchase offers) and could result in the Fund borrowing to meet its short-term needs or incurring losses on the sale of illiquid instruments. In addition, the risks associated with illiquid instruments will be particularly acute when the Fund winds down its investments upon the expiration of its term and the Fund may be forced to incur losses on the sale of illiquid instruments or to delay the wind-down process.

Distribution Risk. There can be no assurance that the Fund will achieve investment results that will allow the Fund to make a specified level of cash distributions or maintain certain levels of cash distributions. All distributions will be paid at the discretion of the Adviser and may depend on the Fund's earnings, the Fund's net investment income, the Fund's financial condition, compliance with applicable regulations and such other factors as the Adviser may deem relevant from time to time. Subject to the requirements of the 1940 Act, the Fund may make distributions from sources other than current income, including capital gains, proceeds from this offering or from borrowings, or return of capital. In addition, subject to the Fund's compliance with REIT requirements, the Fund may reinvest part or all of its income to acquire new assets.

Investments Longer than Term. The Fund may make investments that may not be realized prior to the date the Fund is dissolved. The Fund may attempt to sell, distribute, or otherwise dispose of investments at a time that may be disadvantageous, and as a result, the price obtained for such investments may be less than that which could have been obtained if the investments were held for a longer period of time. Moreover, the Fund may be unsuccessful in realizing investments at the time of the Fund's dissolution. There can be no assurance that the winding up of the Fund and the final distribution of its assets will be able to be executed expeditiously.

Subsequent Fund Risk. As described in more detail under "Dividend Reinvestment Plan" below, after the Subscription Period of the Fund, you may be given the opportunity to elect to have all dividends and capital gains distributions automatically invested in a Subsequent Fund, to the extent a Subsequent Fund is available for investment at the time of such dividend or distribution. It is expected that such an election, if exercised, would apply to all future dividends and capital gains distributions to which an investor is entitled until such time as such Subsequent Fund is no longer available for investment, unless such investor revokes such election. Investing dividends and capital gains distributions in the applicable Subsequent Fund involves risks, which the Adviser expects to be substantially similar to the risks of investing in the Fund. In addition, there can be no assurance that any Subsequent Fund will perform as well or better than the Fund, and any such Subsequent Fund may underperform the Fund, which would adversely affect your return as compared to reinvestment in the Fund itself and could result in your investment performing worse than if you had accepted such dividends and capital gains in the form of cash. The Adviser also retains the flexibility to adjust the strategies of a Subsequent Fund based on market conditions and other considerations. Subsequent Funds may not have identical strategies to the Fund or each other, and investors may have investments in the Fund and in one or more Subsequent Funds simultaneously. Any investment in a Subsequent Fund could result in a loss of some or all of the amount invested in such Subsequent Fund. Furthermore, there is no guarantee that the Adviser will launch a Subsequent Fund. The Adviser may decide not to launch any such Subsequent Fund or to modify the subscription period of any such Subsequent Fund in its sole discretion, which could result in there being no eligible Subsequent Fund in which to invest dividends and capital gains distributions. In that event, dividends and capital gains distributions will be distributed in cash, and investors may face the risks associated with reinvestment of such dividends in distributions in other opportunities.

Privacy and Data Security Laws. Violations of privacy and data protection laws could subject the Fund to litigation and/or fines, penalties or other regulatory action, which, individually or in the aggregate, could have an adverse effect on the Fund. The Fund may also face regulations related to privacy and data security in the other jurisdictions in which the Fund invests.

Leverage Risk. The Fund intends to obtain financing to make investments and/or to fund Share repurchases. The Fund also may obtain leverage through asset-backed securities that afford the Fund economic leverage. The Fund expects to incur property-level debt, and will not treat non-recourse property-level borrowings incurred by a private investment vehicle that the Fund invests in or a special purpose vehicle owned by the Fund as senior securities for purposes of complying with the 1940 Act's limitations on leverage unless the financial statements of such vehicle holding such debt will be consolidated in the Fund's financial statements. Leverage magnifies the Fund's exposure to declines in the value of one or more underlying reference assets or creates investment risk with respect to a larger pool of assets than the Fund would otherwise have and may be considered a speculative technique. The value of an investment in the Fund will be more volatile and other risks tend to be compounded if and to the extent that the Fund borrows or uses investments that have embedded leverage. Engaging in such transactions may cause the Fund to liquidate positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements.

Market conditions may unfavorably impact the Fund's ability to secure borrowings on favorable or commercially feasible terms. The Fund's borrowings may be on a secured or unsecured basis, and at fixed or variable rates of interest. Borrowing will also cost the Fund interest expense and other fees. The costs of borrowing will reduce the Fund's return. Unless the rate of return, net of applicable Fund expenses, on the Fund's investments exceeds the costs to the Fund of the leverage it utilizes, the investment of the Fund's net assets attributable to leverage will generate less income than will be needed to pay the costs of the leverage and the facility fees that the Fund pays, resulting in a loss to the Fund even if the rate of return on those assets is positive. To the extent the Fund is able to secure financing, fluctuations in interest rates could increase the costs associated with the Fund's use of certain forms of leverage, and such costs could reduce the Fund's return. The Fund's ability to obtain leverage through borrowings is dependent on its ability to establish and maintain appropriate lines of credit or other borrowing facilities. The above-described risks associated with leverage arise from leverage that the Fund obtains directly as well as from leverage that the Fund obtains indirectly through Subsidiaries or private investment vehicles.

Risk of Fraud. The Fund may be subject to the risk of fraudulent activity associated with the various parties involved in real estate investments, including the sellers of properties, issuers of real estate loans, banks, borrowers and third parties handling borrower, investor and tenant information. There can be no assurance that the Adviser will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during our efforts to monitor the investments on an ongoing basis or that any risk management procedures implemented by the Fund will be adequate. The due diligence investigation that the Adviser carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity.

Below Investment Grade Securities and Unrated Securities Risk. The Fund may have exposure, without limitation, to investments that are rated below investment grade or that are unrated but are judged by the Adviser to be of credit quality comparable to securities rated below investment grade by a nationally recognized statistical rating organization. Below investment grade debt securities, which are commonly called "junk bonds," are rated below BBB- by Standard & Poor's Ratings Services ("S&P") or Baa3 by Moody's Investors Service, Inc., ("Moody's"), or have comparable ratings by another rating organization. Accordingly, certain of the Fund's unrated investments could constitute a highly risky and speculative investment, similar to an investment in "junk bonds."

Interest Rate Risk. The values of the Fund's investments in real estate debt investments change in response to interest rate changes. In general, the value of a debt security is likely to fall as interest rates rise. This risk is generally greater for obligations with longer maturities or for debt securities that do not pay current interest. Debt securities with floating interest rates can be less sensitive to interest rate changes, although, to the extent the Fund's income is based on short-term interest rates that fluctuate over short periods of time, income received by the Fund may decrease as a result of a decline in interest rates; floating rate loans can also decrease in value if their interest rates do not rise as quickly or as much as market interest rates. Conversely, variable rate instruments generally will not increase in value if interest rates decline. When interest rates increase or for other reasons, debt securities may be repaid more slowly than expected. As a result, the maturity of the debt instrument may be extended, increasing the potential for loss.

Interest rate changes can be sudden and unpredictable, and the Fund may lose money if these changes are not anticipated by the Adviser. A wide variety of factors can cause interest rates to fluctuate (*e.g.*, central bank monetary policies, inflation rates, general economic conditions and market developments), and debt securities may be difficult to value during such periods. Over the past decade, governmental financial regulators, including the U.S. Federal Reserve, have taken steps to maintain historically low interest rates by purchasing bonds. Continued economic recovery, the U.S. Federal Reserve's conclusion of its quantitative easing program and recent increases in interest rates could increase the probability that interest rates will continue to rise in the near future. To the extent the U.S. Federal Reserve continues to raise interest rates, there is a risk that rates across the financial system may rise, which could have an adverse effect on prices for debt securities and on the management of the Fund.

Prepayment Risk. In the event of a prepayment of all or a portion of the remaining unpaid principal amount of a loan to which the Fund has investment exposure, the Fund will receive such prepayment but further interest will cease to accrue on the prepaid portion of the loan after the date of the prepayment. If the Fund buys a security at a premium, the premium could be lost in the event of a prepayment. In periods of falling interest rates, the rate of prepayments (and price fluctuation) tends to increase as borrowers are incentivized to pay off debt and refinance at new lower rates. During such periods, the Fund generally will be forced to reinvest the prepayment proceeds at lower rates of return than the Fund expected to earn on the prepaid assets, provided that the Fund is able to identify suitable reinvestment opportunities, which may adversely impact the Fund's performance.

Valuation Risk. The Fund is subject to valuation risk, which is the risk that one or more of the assets in which the Fund invests are priced incorrectly, due to factors such as incomplete data, market instability or human error. If the Fund ascribes a higher value to assets and their value subsequently drops or fails to rise because of market factors, returns on the Fund's investment may be lower than expected and could experience losses.

The Fund typically uses third-party valuation agents to value the properties that the Fund holds directly or through a Subsidiary and uses third-party pricing servicers to value the Fund's investments in real estate debt instruments, as market quotations generally are not available. The Fund's investments may also be fair valued by the Adviser Valuation Committee as defined under, and in accordance with the procedures described under, "Determination of Net Asset Value" below. Such fair valuations may take into account rates from third-party appraising firms or valuation agents, including those affiliated with the real estate operators from which the Fund purchases assets, in valuing assets. There is no assurance that the Fund could sell a portfolio asset for the value established for it at any time and it is possible that the Fund would incur a loss because a portfolio asset is sold at a discount to its established value. If assets are mispriced, shareholders could lose money upon sale in connection with a periodic repurchase offer or could pay too much for Shares purchased. In addition, the participation of the Adviser's personnel in the Fund's valuation process could result in a conflict of interest, as the management fee paid to the Adviser is based on the value of the Fund's assets.

Ramp-up and Exposure Risk. Although the Fund currently intends to invest the proceeds from any sale of Shares offered hereby as soon as practicable, such investments may be delayed if suitable investments are unavailable at the time. If the Fund is not able to deploy capital in a timely or efficient manner, it may be forced to invest in cash, cash equivalents or other assets that may result in lower returns than the return obtainable from the type of investments in the real estate industry the Fund seeks to acquire. Such investments may also make it more difficult for the Fund to qualify as a REIT. There can be no assurances as to how long it will take the Fund to invest the net proceeds from sales of Fund Shares, and the longer the period the greater the likelihood that the Fund's performance will be adversely affected.

A large proportion of the Fund's portfolio may consist of assets obtained from or through a small number of real estate operators. There may only be a limited number of operators providing access to the types of assets in which the Fund invests. The Fund also faces competition for access to operators, including from other institutional investors. Such competitors may have higher risk tolerance, greater financial or other resources and/or other advantages as compared to the Fund. If the Fund's access to operators is limited, whether due to market conditions, competitive pressures, termination of existing arrangements or other factors, its exposure to the risks associated with individual operators may increase. The Fund is not subject to limits on the percentage of its portfolio that it can allocate to assets it obtains from a single real estate operator. In instances where the Fund obtains a high percentage of its assets from a single real estate operator, it will face elevated risks associated with that operator, including risks associated with such real estate operator's business operations and financial condition.

Geographic Focus Risk. The Fund's investments will be concentrated in the U.S. The Fund is not subject to any geographic restrictions when investing and, therefore, could focus its investments in a particular geographic region, within the U.S. A geographic focus in a particular region may expose the Fund to an increased risk of loss due to risks associated with that region. Certain regions from time to time will experience weaker economic conditions than others and, consequently, will likely experience higher rates of delinquency and loss than on similar investments across the geographic regions to which the Fund is exposed. In the event that a significant portion of the Fund's investments relate to loans owed by borrowers resident or operating in certain specific geographic regions, any localized economic conditions, weather events, natural or man-made disasters or other factors affecting those regions in particular could increase delinquency and defaults on the assets to which the Fund is exposed and could negatively impact Fund performance. Further, any focus of the Fund's investments in one or more regions would have a disproportionate effect on the Fund if governmental authorities in any such region took action against any of the participants in the real estate industry doing business in that region.

Government Securities Risk. The Fund may invest in securities issued or guaranteed by the U.S. government (including U.S. Treasury obligations that differ in their interest rates, maturities and times of issuance). U.S. government securities are subject to market risk, risks related to changes in interest rates and credit risk. Securities that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity and the market prices for such securities will fluctuate. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of interest or principal. This would result in losses to the Fund. As a result of their high credit quality and market liquidity, U.S. government securities generally provide a lower current return than obligations of other issuers.

Investments in Other Pooled Investment Vehicles. Direct or indirect investing in another pooled investment vehicle, including securitization vehicles that issue asset-backed securities, exposes the Fund to all of the risks of that vehicle's investments. The Fund bears its pro rata share of the expenses of any such vehicle, in addition to its own expenses. The values of other pooled investment vehicles are subject to change as the values of their component assets fluctuate. To the extent the Fund invests in managed pooled investment vehicles, the performance of the Fund's investments in such vehicles will be dependent upon the investment and research abilities of persons other than the Adviser. The securities offered by such vehicles typically are not registered under the securities laws because they are offered in transactions that are exempt from registration.

Market Risk. The Fund's business and operations are dependent on the real estate industry generally, which in turn is dependent upon broad economic conditions. Challenging economic and financial market conditions may cause the Fund to experience an increase in the number of investments that result in losses, including delinquencies in loans, non-performing rental properties and a decrease in the value of properties that the Fund owns or that secure the Fund's debt investments, all of which could adversely affect the Fund's performance. The Fund may be forced to sell assets at undesirable prices, which may result in the Fund's NAV declining and the Fund incurring substantial losses. These conditions may also increase the volatility of the value of real estate investments made by the Fund.

Volatility Risk. The market value of the real estate related securities to which the Fund has exposure may increase or decrease, sometimes rapidly and unpredictably, based upon changes in an issuer's financial condition and/or overall market and economic conditions. Because many of the Fund's real estate related securities investments may be illiquid and/or below investment grade (or unrated, but of a similar quality; debt securities that are below investment grade are commonly called "junk bonds"), the Fund may be subject to increased volatility risk. In addition, the Fund's use of leverage increases the volatility of the Fund's value.

Management and Operational Risk. The Fund is subject to management risk because it relies on the Adviser's ability to achieve its investment objective. The Fund runs the risk that the Adviser's investment techniques will fail to produce desired results and cause the Fund to incur significant losses. The Adviser may fail to use derivatives effectively, may select investments that do not perform as anticipated by the Adviser and may choose to hedge or not to hedge positions at disadvantageous times.

Any imperfections, errors or limitations in quantitative analyses and models used by the Adviser as part of its investment process could affect the Fund's performance.

The Fund also is subject to the risk of loss as a result of other services provided by the Adviser and other service providers, including pricing, administrative, accounting, tax, legal, custody, transfer agency and other services. Operational risk includes the possibility of loss caused by inadequate procedures and controls, human error and cyber attacks, disruptions and failures affecting, or by, a service provider.

Equity Investment Risk. Equity securities fluctuate in price, and their short-term volatility at times may be great. To the extent that the Fund obtains exposure to equity securities, the value of the Fund's portfolio will be affected by changes in the stock markets. Market risk can affect the Fund's net asset value per Share, which will fluctuate as the values of the Fund's portfolio securities change. The prices of individual equity securities do not all move in the same direction uniformly or at the same time. Different stock markets may behave differently from one another.

Tax Risk. The Fund intends to elect to be taxed as and to qualify for treatment each year as a REIT under Subchapter M of Chapter 1 of the Code. To qualify for such treatment, the Fund must meet, on a continuing basis, certain qualification tests. Those qualification tests involve, among other things, the percentage of the Fund's income that it derives from specified sources, the percentages of the Fund's assets that fall within specified categories at the end of each fiscal quarter, the diversity of the Fund's share ownership and the number of shareholders, and the percentage of the Fund's income that is distributed. The Fund's investment strategy will potentially be limited by its intention to qualify for treatment as a REIT. No assurance can be given that the Fund will in fact satisfy such requirements for any taxable year. Qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial and administrative interpretations exist and the tax treatment of certain of the Fund's investments under one or more of the qualification tests applicable to REITs is not certain. An adverse determination or future guidance by the IRS or a change in law might affect the Fund's ability to qualify for such treatment. Furthermore, the Fund's Articles of Amendment and Restatement ("Charter") does not contain typical provisions related to REIT ownership restrictions and therefore does not ensure that the Fund will satisfy the diversity requirement regarding the Fund's share ownership. See "Certain Federal Income Tax Considerations" below.

If the Fund were to fail to qualify for taxation as a REIT in any taxable year and the Fund is unable to use relief provisions to cure such failure, the Fund will be subject to tax on its taxable income at regular corporate rates. This would significantly reduce both the cash available for distribution to the Fund's shareholders and the Fund's earnings. If the Fund were to fail to qualify as a REIT, it would not be required to make any distributions to shareholders and any distributions that are made would not be deductible by the Fund. Moreover, all distributions to shareholders would be taxable as dividends to the extent of the Fund's current and accumulated earnings and profits, whether or not attributable to net capital gains. Subject to certain limitations of the Code, corporate distributees may be eligible for the dividends received deduction with respect to those distributions, and individual, trust and estate distributees may be eligible for reduced income tax rates on such dividends. Unless the Fund were entitled to relief under specific statutory provisions, the Fund would also be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost.

State and Local Taxes. The Fund may be subject to state or local taxation in various jurisdictions, including those in which it transacts business or resides. State and local tax treatment may not conform to the federal income tax treatment discussed above, and any changes in the federal tax code may not be adopted by the states, potentially leading to material tax liabilities for the Fund and its shareholders. In addition, state and local taxing jurisdictions may adopt new legislation or tax regimes which could significantly impact our tax liabilities or require the Fund to withhold taxes from shareholders. Consequently, prospective shareholders should consult their own tax advisors regarding the effect of state and local tax laws on an investment in the Fund.

No Prior History. The Fund is a newly-organized closed-end management investment company with no history of operations, thus has no financial statements or other meaningful operating or financial data on which potential investors may evaluate the Fund and its performance, and is designed for long-term investors and not as a trading vehicle.

Derivatives Risk. The Fund may invest in a variety of derivatives for hedging and risk management purposes. Derivatives are financial contracts the value of which depends on, or is derived from, an asset or other underlying reference. Derivatives involve the risk that changes in their value may not move as expected relative to changes in the value of the underlying reference asset they are designed to track. The use of derivatives involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets. Derivatives also present additional risks that may include market risk, illiquidity risk, currency risk and credit/counterparty risk. See the Statement of Additional Information for additional information of the various types and uses of derivatives in the Fund's strategies.

Subsidiary Risk and Other Indirect Investing Risk. By investing through Subsidiaries or private investment vehicles, the Fund is exposed to the risks associated with such vehicles' investments. Such vehicles generally are not registered as investment companies under the 1940 Act and are not subject to all of the investor protections of the 1940 Act, although each Subsidiary is managed pursuant to the compliance policies and procedures of the Fund applicable to it. Changes in the laws of the United States and/or the jurisdiction in which a Subsidiary or private investment vehicle is organized could result in the inability of the Fund and/or such vehicle to operate as described in this prospectus and could adversely affect the Fund.

Non-Diversification Risk. The Fund is classified as a "non-diversified" fund under the 1940 Act. Accordingly, the Fund may invest a greater portion of its assets in the securities of a single issuer than if it were a "diversified" fund. To the extent that the Fund invests a higher percentage of its assets in the securities of a single issuer, the Fund is subject to a higher degree of risk associated with and developments affecting that issuer than a fund that invests more widely.

Repurchase Offers Risk. As described under "Periodic Repurchase Offers" below, the Fund is an "interval fund." In order to provide liquidity to shareholders, the Fund, subject to applicable law, conducts annual repurchase offers of the Fund's outstanding Shares at NAV, subject to approval of the Board. In all cases such repurchases will be for at least 5% and not more than 25%, and are expected to be for a maximum of 5% of its outstanding Shares at NAV, pursuant to Rule 23c-3 under the 1940 Act. The Fund believes that these repurchase offers are generally beneficial to the Fund's shareholders, and repurchases generally are funded from available cash or sales of portfolio securities, which are substantially illiquid. However, repurchase offers and the need to fund repurchase obligations may affect the ability of the Fund to be fully invested or may force the Fund to maintain a higher percentage of its assets in liquid investments, which may harm the Fund's investment performance. Moreover, diminution in the size of the Fund through repurchases may result in untimely sales of portfolio securities (with associated imputed transaction costs, which may be significant), and may limit the ability of the Fund to participate in new investment opportunities or to achieve its investment objective. If the Fund employed investment leverage, repurchases of Shares would compound the adverse effects of leverage in a declining market. In addition, if the Fund borrows to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their Shares by increasing the Fund's expenses and reducing any net investment income. If a repurchase offer is oversubscribed the Fund will repurchase the Shares tendered on a pro rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some shareholders, in anticipation of proration, may tender more Shares than they wish to have repurchased in a particular quarter, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the NAV of Shares tendered in a repurchase offer may decline between the Repurchase Request Deadline and the date on which the NAV for tendered Shares is determined. In addition, the repurchase of Shares by the Fund may be a taxable event to shareholders.

Portfolio Turnover. A change in the investments held by the Fund is known as "portfolio turnover." If the Fund realizes profits or gains when it sells investments, it generally must pay those profits or gains to shareholders, increasing its taxable distributions, which generally are taxable as ordinary income to shareholders. Increased portfolio turnover may also result in higher brokerage fees or other transaction costs, which can reduce the Fund's performance. Portfolio turnover will not be a limiting factor should the Adviser deem it advisable to purchase or sell securities.

Temporary Defensive and Interim Investments. For temporary defensive purposes in times of adverse or unstable market, economic or political conditions, the Fund can invest up to 100% of its assets in investments that may be inconsistent with its principal investment strategies. Generally, the Fund would invest in money market instruments or in other short-term U.S. or non-U.S. government securities. The Fund might also hold these types of securities as interim investments pending the investment of proceeds from the sale of its Shares or the sale of its portfolio securities or to meet anticipated repurchases of its Shares. To the extent the Fund invests in these securities, it might not achieve its investment objective.

Expense Risk. Your actual costs of investing in the Fund may be higher than the expenses shown in "Annual Fund Operating Expenses" for a variety of reasons. For example, expense ratios may be higher than those shown if overall net assets decrease. The Fund's expense limitation agreements, which generally remain in effect for a period of one year, mitigate this risk. However, there is no assurance that the Adviser will renew such expense limitation agreements from year-to-year.

Anti-Takeover Provisions. The Fund's Charter includes provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status.

FUND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold Shares of the Fund.

Shareholder Transaction Expenses	
(fees paid directly from your investment)	
Maximum Repurchase Fee(1)	2.00%
Annual Fund Operating Expenses	
(as a percentage of net assets attributable to the Shares)(2)	
Management Fees	2.00%
Distribution and/or Service Fees(3)	0.10%
Other Expenses(4)	0.69%
Total Annual Fund Operating Expenses	2.79%
(Fee Waiver and/or Expense Reimbursement)/Recoupment(5)	(0.89)%
Total Annual Fund Operating Expenses After (Fee Waiver/Expense Reimbursement)/Recoupment	1.90%

(1) The Fund does not currently plan to charge a repurchase fee. However, the Fund may charge a repurchase fee of up to 2.00%, which the Fund would retain to help offset non-de minimis estimated costs related to the repurchase.

(2) Amount assumes that the Fund sells $1 billion worth of Shares during the Fund's first twelve months and that the Fund's net offering proceeds from such sales equal $1 billion. Expenses are estimated. Actual expenses will depend on the Fund's net assets, which will be affected by the number of Shares the Fund sells in this offering. For example, if the Fund were to raise proceeds significantly less than this amount over the following twelve months, average net assets would be significantly lower and some expenses as a percentage of net assets would be significantly higher. There can be no assurance that the Fund will sell $1 billion worth of Shares during the following twelve months.

(3) Distribution and/or Service Fees include a 0.05% fee paid pursuant to the Distribution and Servicing Plan and a 0.05% fee paid pursuant to the Services Agreement.

(4) Other Expenses are based on estimated amounts for the Fund's current fiscal year.

(5) The Fund is responsible for its operating expenses, including its organization expenses, which are expensed as incurred and are subject to the expense limitation agreement described below. Notwithstanding the foregoing, through the one-year anniversary of the date the Fund commences investment operations the Adviser has contractually agreed to pay or otherwise bear operating and other expenses of the Fund (including organizational and offering expenses, but excluding brokerage and transactional expenses, borrowing and other investment-related costs and fees including interest and commitment fees, short dividend expense, acquired fund fees and expenses, taxes, litigation and indemnification expenses, judgments and extraordinary expenses not incurred in the ordinary course of the Fund's business (collectively, the "Excluded Fees and Expenses")) solely to the extent necessary to limit the Total Annual Fund Operating Expenses before Management Fees to 0.40% of the average daily net assets of the Fund. The Adviser shall be entitled to recoup in later periods expenses that the Adviser has paid or otherwise borne to the extent that the Total Annual Fund Operating Expenses before Management Fees (excluding Excluded Fees and Expenses) after such recoupment do not exceed the lower of (i) the annual expense limitation rate in effect at the time of the actual reimbursement and (ii) the annual expense limitation rate in effect at the time of the recoupment; provided that the Adviser shall not be permitted to recoup any such expenses beyond three years from the end of the month in which such expense was reimbursed. In addition, in the expense limitation agreement, the Adviser has contractually agreed to waive a portion of its management fee such that the management fee accrues at an annual rate of 1.50% of average daily net assets through the one-year anniversary of the date the Fund commences investment operations. Such reduction of management fee may not be recouped by the Adviser in later periods. The expense limitation agreement may only be modified by a majority vote of the Directors who are not "interested persons" of the Fund (as defined by the 1940 Act) and the consent of the Adviser. The Adviser may, from time to time, voluntarily waive a further portion of its management fee under certain circumstances, as further described under "Management of the Fund" below.

Example. The following Example is intended to help you understand the various costs and expenses that you, as a holder of Shares, would bear directly or indirectly. The Example assumes that you invest $1,000 in Shares of the Fund for the time periods indicated. Because there are no costs to you associated with repurchases of your Shares, your costs would be the same whether you hold your Shares or tender your Shares for repurchase at the end of the time periods indicated. The Example also assumes that your investment has a 5% return each year, that all dividends and distributions are reinvested at NAV during the Fund's Subscription Period and that the Fund's operating expenses (as described above) remain the same, except to reduce annual expenses upon completion of organization and offering expenses. The Example should not be considered a representation of the Fund's future expenses. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
$19	$78	$140	$305

FINANCIAL HIGHLIGHTS

The Fund is newly organized and its Shares have not previously been offered. Therefore, the Fund does not have any financial history. Additional information about the Fund's investments will be available in the Fund's annual and semi-annual reports when they are prepared.

THE FUND

The Fund is a non-diversified, closed-end management investment company registered under the 1940 Act. The Fund was organized as a Maryland corporation on May 7, 2019. The Fund has no operating history. The Fund's principal office is located at 510 Madison Avenue, 21st Floor, New York, NY 10022.

USE OF PROCEEDS

The Fund will invest the proceeds of the offering of Shares in accordance with its investment objective and policies as stated below. It is currently anticipated that the Fund will be able to invest all or substantially all of the net proceeds according to its investment objective and policies within approximately one month after receipt of the proceeds, depending on the amount and timing of proceeds available to the Fund as well as the availability of investments consistent with the Fund's investment objective and strategies. Pending investment of the net proceeds, the Fund will invest in high-quality, short-term debt securities, cash and/or cash equivalents.

INVESTMENT OBJECTIVE, POLICIES AND RISKS

When used in this prospectus, the term "invest" includes both direct investing and indirect investing and the term "investments" includes both direct investments and indirect investments. For example, the Fund invests indirectly by investing through its 100% owned and controlled subsidiaries (each, a "Subsidiary") or private investment vehicles.

Investment Objective

The Fund's investment objective is to achieve long-term capital appreciation and current income. There can be no assurance that the Fund will achieve its investment objective.

Principal Investment Policies

The Fund pursues its investment objective primarily by investing in private investment vehicles that acquire, hold, and operate single family rental properties. The Fund may also acquire homes directly, including through one or more Subsidiaries. In addition, the Fund may invest in mortgage loans and other debt instruments secured by single family rental properties and preferred equity in entities holding single family homes (together with the investments described previously in this paragraph, "single family rental investments").

Under normal circumstances, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes in single family rental investments. As a matter of fundamental policy, the Fund concentrates its investments in the real estate industry and has adopted a policy to invest at least 25% of its total assets in the real estate industry.

Single Family Rental Investments

Most of the Fund's portfolio will consist of interests in private investment vehicles that own or otherwise have interests in single family rental properties. The Fund may also hold direct interests in single family rental properties. The Fund may hold direct and indirect investments in homes leased through traditional lease arrangements, or single family rental homes sourced and managed by real estate operator(s) that operate a program under which a lessee has the right to purchase such home in the future. The Fund may also invest in mortgage loans and other debt instruments secured by single family rental properties and preferred equity in entities holding single family rental homes. The Fund intends to invest in single family rental investments across a wide range of geographic regions and metropolitan areas within the United States but may at times hold a substantial portion of its single family rental investments in a limited number of geographic regions. Single family rental investments may generate income for the Fund through rental income that the Fund receives or through interest payments, dividends or other distributions, which may be supported by rental income generated by underlying properties. Single family rental investments may also increase in value, positioning the Fund to achieve capital appreciation.

The Fund intends to make single family rental investments primarily through private investment vehicles that acquire, hold and operate single family rental properties. In carrying out such investment strategy, the Fund seeks to invest in private investment vehicles that acquire, improve and manage single family rental properties in different geographic regions within the United States (the sponsor of each such private investment vehicle, a "real estate operator"). In general, a real estate operator locates properties based on certain acquisition criteria such as geographic locations, acquisition costs and features of the properties, has such private investment vehicles acquire such properties, improves the conditions of the properties if necessary, leases such properties to tenants, manages the properties on an ongoing basis and facilitates the sale of properties when appropriate. These private investment vehicles will typically be partnerships or limited liability companies. The Fund expects the applicable real estate operator to hold equity in any such vehicle alongside the Fund and if applicable, other third-party financial investors. The terms of any particular vehicle will be established on a case-by-case basis considering all relevant facts, including the nature and attributes of the other equity investors in such vehicle, the proposed structure of the investment, the nature of the operations, the liabilities and assets associated with the proposed vehicle and the size of the Fund's interest in such vehicle. In certain cases, the Fund will negotiate the operating agreement, property management agreement, administration agreement and/or other agreements in connection with its investment in a private investment vehicle, or, in other cases, may invest in vehicles with preexisting and established terms. The Fund will not control the day-to-day management of the affairs of a private investment vehicle but expects to have consent and approval rights with respect to certain major decisions to be carried out by such vehicle. The applicable real estate operator or an affiliate will act as the general partner or managing member and manage the day-to-day operations of each private investment vehicle. Typically an affiliate of the real estate operator will also manage the properties owned by the vehicle, and the vehicle will pay an ongoing property management fee to the property manager. In addition, the vehicle will typically pay an administration fee to its general partner or manager (or an affiliate thereof). Although it is expected that a general alignment occurs, the Fund's interests may not be totally aligned with those of other investors or the real estate operator. See "Risks of Private Investment Vehicles."

The Fund does not expect to hold individual properties directly (including through one or more Subsidiaries) initially, but may in the future also acquire homes sourced by real estate operators directly. In such cases, the Fund would enter into a purchase agreement or similar agreement with such real estate operator that sets forth the general terms of the Fund's purchase of homes through such operator, including, for example, the acquisition criteria, the expected volume of purchases, fees and expenses payable to such operator or any third-party vendor and the closing mechanism for each transfer. As the real estate operator locates properties according to the terms of the purchase agreement, the Fund would have the option (but not the obligation) to acquire all rights, title and interest in such properties through customary real estate transfer processes. The real estate operator or its affiliate would typically continue to manage the property under a property management agreement with the Fund and collect and process rental incomes when due and pay such income to the Fund, less any property management fees assessed against the Fund. Such operator may also help facilitate the Fund's disposition of the properties under its purchase agreement with the Fund or under separate documentation negotiated at the time of such disposal.

When investing in single family rental homes through private investment vehicles, or acquiring homes directly through real estate operators, the Fund generally does not expect to review the particular characteristics of each property that it directly or indirectly acquires, but rather negotiate, when reasonably possible to do so, before the Fund invests its assets in a private investment vehicle, the general criteria of the investments, including the acquisition cost, expected rental income, geographic location and physical features such as size, property age and number of bedrooms of each property. The Fund will generally seek to invest directly or indirectly in single family rental properties with stable expected rental incomes as well as potential of appreciation in value. The Fund may, directly or indirectly through private investment vehicles, acquire or sell properties in bulk from or to other property owners.

In addition to acquiring single family rental investments as described above, the Fund may also invest in single family rental investments in the form of debt instruments (including participation interests in debt instruments), secured directly or indirectly by, or preferred equity providing exposure to, single family rental properties, including:

First Mortgage Loans. First mortgage loans are loans that are generally made to the owner of a property or a pool of properties and have the highest priority to claims on the collateral securing the loans in foreclosure. First mortgage loans generally provide for a higher recovery rate and lower default rate than other debt positions due to the lender's favorable control features and place in the capital structure, which control features at times may mean control of the entire capital structure.

Subordinate Mortgage Loans. Subordinate mortgage loans are loans that are generally made to the owner of a property or a pool of properties and have a lower priority to collateral claims. Investors in subordinate mortgages are compensated for the increased risk from a pricing perspective, typically through a higher interest rate (as compared to first mortgage loans), but still benefit from a direct lien on the related property. Investors typically receive principal and interest payments at the same time as senior debt unless a default occurs, in which case these payments are made only after any senior debt is repaid in full.

Mezzanine Loans. Mezzanine loans are a type of subordinate loan in which the loan is secured by one or more direct or indirect ownership interests in an entity that directly or indirectly owns real estate. Investors in mezzanine loans are compensated for the increased credit risk from a pricing perspective, typically through a higher interest rate (as compared with first mortgage loans), but still benefit from the right to foreclose on its collateral, in many instances more efficiently than first mortgage loans. Upon a default by the borrower under a mezzanine loan, the mezzanine lender generally can take control of the property owning entity on an expedited basis, subject to the rights of the holders of debt senior in priority on the property.

Preferred Equity. The Fund may invest in preferred equity securities issued by entities that own, directly or indirectly, single family rental properties. Preferred equity interests are generally senior with respect to the payments of dividends and other distributions, redemption rights and rights upon liquidation to such entity's common equity. The preferred equity securities in which the Fund invests may have fixed or floating dividend rates and may be convertible into common stock. Investors in preferred equity generally face greater risk of loss than lenders and may benefit less from capital appreciation than common stockholders.

Such debt instruments and preferred equity securities may be issued by private investment vehicles sponsored by a real estate operator. In making such investments, the Fund will negotiate loan and security agreements and other customary documents with the borrower, and in the case of preferred equity securities, negotiate charter documents, subscription agreements and other customary documents with the entity issuing such preferred equity.

When acquiring debt instruments or preferred equity securities as described above, the Fund may not review the particular characteristics of each instrument that it acquires or each property underlying the instrument that it acquires, but rather negotiate with the operators or originators from which the Fund acquires such instruments the general criteria of the investments, including the principal amounts, terms and yields of the instruments as well as the characteristics of the underlying properties before the Fund invests its assets in any private investment vehicles sponsored by an operator. The Fund will not invest in subprime mortgage loans or securities backed by subprime mortgage loans. "Subprime" does not have a specific legal or market definition, but is understood in the credit marketplace to signify that a loan has a material likelihood that it will not be repaid. The Adviser will make the determination that mortgage loans purchased by the Fund are not of subprime quality based on the Adviser's due diligence of the creditworthiness of the borrower and the quality of the collateral.

The Adviser, as part of its portfolio construction process, performs extensive due diligence on transactions that the Adviser proposes to enter into on behalf of the Fund.

Financial Due Diligence. When the Fund considers an opportunity to enter into a new transaction, such as an investment in a new private investment vehicle or the entrance into a new purchase agreement or similar agreement with a real estate operator, a preliminary review of each opportunity is conducted in order to screen the attractiveness of such transaction. The preliminary review is followed by an initial projection based on macro- and micro-economic analyses. If the Adviser deems appropriate, further due diligence will be conducted. The Adviser will forecast expected cash flows and analyze various scenarios and exit strategies utilizing its proprietary models and the financial information received.

Operator Due Diligence. The Adviser, as part of its portfolio construction process, performs diligence on real estate operators from which the Fund acquires assets and/or with whom the Fund partners with in managing and servicing the assets (each, an "operator"), in order to evaluate both the process by which each operator sources assets and provides related services and the characteristics of the overall portfolio of assets made available through that operator. The Adviser's diligence process includes on-site in-person meetings, supplemented by telephonic meetings, with the senior management and with the underwriting, operations, technology, legal and compliance teams of the operator; evaluation of the operator's underwriting policies, procedures and models; evaluation of the operator's operations, technology, legal and compliance personnel, infrastructure, and procedures.

Legal and Tax Due Diligence. The Adviser will work closely with internal and outside counsel to review, diligence and negotiate applicable legal and property specific documents pertaining to an investment (e.g., loan documents, leases, management agreements, purchase contracts, etc.). Additionally, the Adviser will work with internal and external tax advisers to structure investments in an efficient manner.

Although the Fund may pursue investments through a wide array of sources, a large proportion of the Fund's portfolio may consist of assets obtained from or through a small number of real estate operators, potentially giving the Fund high exposure to the potential benefits and risks associated with those operators.

The Adviser retains broad flexibility to allocate Fund assets to different types of residential real estate investments in its discretion based on market opportunities, market conditions and investment-specific and other considerations. Subject to constraints associated with its status as a REIT and a registered investment company, the Fund is not subject to limits on the percentage of its portfolio that it can allocate to a single private investment vehicle, assets it obtains from or through a single real estate operator, or any particular type of single family rental investment.

Cash and Cash Equivalents; Temporary Defensive Positions

For liquidity management or temporary defensive purposes, the Fund may invest in cash, money market instruments, U.S. or non-U.S. government debt securities or other cash-equivalent instruments.

During unusual market conditions, the Fund may invest up to 100% of its assets in cash or cash equivalents temporarily, which may be inconsistent with its investment objective and other policies. The Fund might not use all of the strategies and techniques or invest in all of the types of securities described in this prospectus or the Statement of Additional Information. While at times the Fund may use alternative investment strategies in an effort to limit its losses, it may choose not to do so.

Hedging

The Fund may seek to hedge its exposure to interest rate risks that arise as a result of its investments. The Fund may use forwards, futures, swaps or other exchange-traded or over-the-counter ("OTC") derivatives or may purchase or sell physical currency, bonds or other securities or instruments, including short sales on assets the Fund does not own, which may require the Fund to pay a premium to borrow the assets sold short and to pay the lender any dividends or interest received on the assets while borrowed. There can be no guarantee the Fund's hedging activities will effectively offset any adverse impact of interest rates.

Leverage

The Fund typically obtains leverage in seeking to achieve its investment objective. The Fund may obtain financing to make investments in single family rental investments. Such borrowings are typically secured by investments held by the Fund. The Fund may also have exposure to leverage through investments in private investment vehicles that in turn incur leverage on their investments. The Fund expects to have exposure to leverage consisting of property-level debt (mortgages on properties or pools of properties where there is generally no recourse to the Fund) and entity-level debt (non-mortgage debt at the Fund level). Property-level debt will generally be incurred by a private investment vehicle that the Fund invests in or a special purpose vehicle held by the Fund, and will be secured by real estate owned by such vehicles. Such vehicles would own real estate assets and would borrow from a lender using the owned properties as mortgage collateral. If any such vehicle were to default on a loan, the lender's recourse would be to the mortgaged property owned by such vehicle and the lender would typically not have a claim to other assets of the Fund. The Fund may also obtain leverage through investments, such as asset-backed securities, that may have embedded leverage. The Fund is not limited in the form or manner in which it may incur leverage.

The 1940 Act requires a closed-end fund to have asset coverage of not less than 300% of the value of the outstanding amount of senior securities representing indebtedness (as defined in the 1940 Act) at the time of the indebtedness issuance. This means that the value of the Fund's senior securities representing indebtedness may not exceed one-third of the value of its total assets (including such senior securities), measured at the time the Fund issues the senior securities. The Fund will not treat non-recourse property-level borrowings incurred by a private investment vehicle that the Fund invests in or a special purpose vehicle owned by the Fund as senior securities for purposes of complying with the 1940 Act's limitations on leverage as described in the preceding sentence unless the financial statements of such vehicle holding such debt will be consolidated in the Fund's financial statements in accordance with Regulation S-X and other accounting rules. The Fund also may borrow money from banks or other lenders for temporary purposes in an amount not to exceed 5% of the Fund's assets. Such temporary borrowings are not subject to the asset coverage requirements discussed above in connection with the Fund's borrowings for investment purposes. Investments or trading practices that involve contractual obligations to pay in the future are subject to the same requirements unless the Fund designates liquid assets in an amount the Fund believes to be equal to the Fund's contractual obligations (marked-to-market on a daily basis) or appropriately "covers" such obligations with offsetting positions.

Leverage can have the effect of magnifying the Fund's exposure to changes in the value of its assets and may also result in increased volatility in the Fund's NAV. This means the Fund will have the potential for greater gains, as well as the potential for greater losses, than if the Fund owned its assets on an unleveraged basis. The value of an investment in the Fund will be more volatile and other risks tend to be compounded to the extent that the Fund is exposed to leverage directly or indirectly.

Changes to the Fund's Investment Policies

The Fund's investment objective and policies may be changed without shareholder approval unless an objective or policy is identified in the prospectus or in the Statement of Additional Information as "fundamental." The Fund's policy to invest, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in single family rental investments may be changed by the Board upon at least 60 days' prior written notice to shareholders.

Subsidiaries

The Fund executes its strategy by investing directly or through its Subsidiaries in single family rental investments or real estate-related securities. The Fund reserves the right to establish additional Subsidiaries through which the Fund may execute its strategy.

RISK CONSIDERATIONS

Investors should carefully consider the Fund's risks and investment objective, as an investment in the Fund may not be appropriate for all investors and is not designed to be a complete investment program. An investment in the Fund involves a high degree of risk. It is possible that investing in the Fund may result in a loss of some or all of the amount invested. Before making an investment/allocation decision, investors should (i) consider the suitability of this investment with respect to an investor's or a client's investment objectives and individual situation and (ii) consider factors such as an investor's or a client's net worth, income, age and risk tolerance. Investment should be avoided where an investor/client has a short-term investing horizon and/or cannot bear the loss of some or all of the investment.

The Fund is subject to the principal risks described below, whether through the Fund's direct investments, investments by its Subsidiaries or investments through private investment vehicles. As with any investment company, there is no guarantee that the Fund will achieve its investment objective. You could lose all or part of your investment in the Fund, and the Fund could underperform other investments.

Real Estate Investment Risk Generally. The Fund is subject to risks typically associated with real estate, including:

- changes in global, national, regional or local economic, demographic or capital market conditions;
- future adverse national real estate trends, including increasing vacancy rates, declining rental rates and general deterioration of market conditions;
- changes in supply of or demand for similar properties in a given market or metropolitan area, which could result in rising vacancy rates or decreasing market rental rates;
- the occupancy rate of, and the rental rates charged at, properties and the ability to collect on a timely basis all rent;
- lack of liquidity inherent in the nature of the assets;
- increased competition for properties targeted by the Fund's investment strategy;
- property location and conditions, property management decisions and property operating costs, including insurance premiums, real estate taxes, maintenance costs and the expense of leasing, renovation or constructions;
- reliance on tenants, managers and real estate operators that the Fund works with in acquiring and managing assets to operate their businesses in an appropriate manner and in compliance with their contractual arrangements with the Fund;

- bankruptcies, financial difficulties or defaults by tenants of the properties in which the Fund invests, real estate operators that the Fund works with in acquiring and managing assets, property managers or any other third party that is involved in the Fund's operation;
- increases in interest rates and lack of availability of financing;
- cost of compliance with applicable federal, state, and local laws and regulations; changes in laws, including laws that increase operating expenses or limit rents that may be charged and changes in state or local zoning laws; changes in governmental rules, regulations and fiscal policies;
- changes in government rules, regulations and fiscal policies, including increases in property taxes, changes in zoning laws, limitations on rental rates, and increasing costs to comply with environmental laws;
- bad acts of third parties; and
- unforeseeable events such as social unrest, civil disturbances, terrorism, earthquakes, hurricanes and other natural disasters.

Many of these factors are beyond the control of the Fund. Any negative changes in these factors could affect the Fund's performance and its ability to meet its obligations and make distributions to shareholders.

Portfolio Concentration Risk. The Fund's portfolio will be concentrated at any time in the real estate industry, with a focus on single family rental investments, and may be heavily concentrated at any time in only a limited number of geographies or investments, and, as a consequence, the aggregate return of the Fund may be substantially affected by the unfavorable performance of even a single investment. Concentration of investments in a particular type of asset or geography makes the Fund more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular type of asset or geography. As a matter of fundamental policy, the Fund concentrates its investments in the real estate industry and has significant exposure to the risks associated with this industry.

Single Family Rental Market Risk. Most of the Fund's portfolio will consist of interests in private investment vehicles that own or otherwise have interests in single family rental properties. The Fund may also have direct interests in single family rental properties or debt instruments or preferred equity securities providing exposure to such properties. The Fund's investment strategy involves sourcing assets through operators that purchase, renovate, maintain, and manage a large number of single family rental properties and leasing them to qualified residents through third-party property managers or leasing agents. Until recently, the single family rental business consisted primarily of private and individual investors in local markets and was managed individually or by small, non-institutional owners and property managers. Entry into this market by large, well capitalized investors is a relatively recent trend, so few peer funds or companies exist and none have yet established long-term track records that might assist the Adviser in predicting whether such business model and investment strategy can be implemented and sustained over an extended period of time. It may be difficult for investors to evaluate the Fund's potential future performance without the benefit of established long-term track records from companies implementing a similar business model.

Risks of Seasonal Fluctuations in Single Family Rental Demand and Downturns in the Residential Properties Sector. A downturn or slowdown in the rental demand for single family housing caused by adverse economic, regulatory, or environmental conditions, or other events may have a greater impact on the value of the Fund's assets or operating results than if the Fund had more fully diversified its investments. There may be seasonal fluctuations in rental demand, with demand higher in the spring and summer than in the late fall and winter. Such seasonal fluctuations may impact the Fund's performance.

In addition to general, regional, national and international economic conditions, the Fund's performance will be impacted by the economic conditions in the markets where the Fund holds assets. The Adviser bases a substantial part of its investment strategy on the belief that property values and operating fundamentals for single family properties in the markets where the Fund holds assets will improve over the term of the Fund. However, certain of these markets have experienced substantial economic downturns in certain years and could experience similar or worse economic downturns in the future. There is no assurance as to the extent property values and operating fundamentals will improve. If historical economic downturns recur, the value of these assets could decline, which could adversely affect the Fund's performance and its ability to make distributions to shareholders.

Real Estate Operator Risks. The Fund intends to work with real estate operators that source and manage investments in single family rental properties. When the Fund acquires assets in this manner, the Fund relies on such third party or one or more vendors hired by such party to locate and perform due diligence on, and evaluate the investment characteristics of, such assets. The Fund may have limited knowledge about the assets, and is dependent upon the applicable operator for information regarding such assets, especially when the Fund acquires assets in bulk through such operator. Although the Fund conducts diligence on the operators, the Fund may not have the ability to independently verify the information provided by the operators. The Fund may not review the particular characteristics of the assets in which it invests at the time of investment, but rather negotiate the general criteria of the investments before it invests its assets in any private investment vehicles sponsored by an operator.

In addition, when the Fund purchases single family rental properties directly or indirectly through a real estate operator, the operator, or an affiliate of the operator, typically continues to act as the property manager of the properties. When the Fund purchases debt instruments secured directly or indirectly by single family rental properties from an operator or bank originating such instruments, such entity typically continues to service the instruments. In the event that such operator is unable to act as the property manager or the servicer, as applicable, there is no assurance that a backup property manager or backup servicer will be able to assume responsibility in a timely or cost-effective manner; any resulting disruption or delay could jeopardize payments due to the Fund in respect of its investments or increase the costs associated with the Fund's investments. The Fund faces certain risks arising from the potential for an operator to have financial interests that are not aligned with the Fund's interests.

A large proportion of the Fund's portfolio may consist of assets obtained from or through a small number of operators, potentially giving the Fund high exposure to the risks associated with those operators. The Fund is not subject to a stated limit on the percentage of its portfolio that it can allocate to assets it obtains from a single real estate operator.

Risks of Private Investment Vehicles. The Fund intends to make single family rental investments by investing in private investment vehicles operated and administered by real estate operators. The Fund expects the applicable real estate operator to also hold equity in such vehicles alongside the Fund and if applicable, other third-party financial investors. Such investments may involve risks not otherwise present with other methods of investment, including, for instance, the following risks and conflicts of interest:

- real estate operators managing private investment vehicles or their affiliates may have economic or other interests that are inconsistent with the Fund's interests, including interests relating to the financing, management, operation, leasing or sale of the assets purchased by such private investment vehicle;

- real estate operators managing private investment vehicles or their affiliates may receive ongoing fees from the investment vehicles, including promote payments, fees for services provided and potential buyouts of their equity investments, all of which may reduce amounts otherwise payable to the Fund;

- real estate operators managing private investment vehicles could become insolvent or bankrupt;

- fraud or other misconduct by real estate operators managing private investment vehicles;

- the Fund may own non-voting interests in a private investment vehicle, may have no decision-making authority or may share decision-making authority with a real estate operator or other investors in a private investment vehicle regarding certain major decisions affecting the ownership of the vehicle or assets of the vehicle, such as the sale of the assets or the making of additional capital contributions for the benefit of the assets, which may prevent the Fund from taking actions that it would otherwise desire to take;

- under certain arrangements, no party may have the power to control the private investment vehicle and, under certain circumstances, an impasse could result regarding cash distributions, reserves, or a proposed sale or refinancing of the investment, and this impasse could have an adverse impact on the vehicle, which could adversely impact the operations and profitability of the vehicle and/or the amount and timing of distributions the Fund receives from such vehicle;

- real estate operators managing private investment vehicles or other investors or their affiliates may at any time have economic or business interests or goals that are in conflict with the Fund's business interests or goals, including, for instance, the operation of the properties;

- other investors in private investment vehicles may be structured differently than the Fund for tax purposes and this could create conflicts of interest and risk to the Fund's ability to qualify as a REIT;

- the Fund may rely upon real estate operators to manage the day-to-day operations of the vehicle and underlying assets, as well as to prepare financial information for the vehicle, and any failure to perform these obligations may have a negative impact on the Fund's performance and results of operations;

- real estate operators managing private investment vehicles may experience a change of control, which could result in new management of such real estate operator or investor with less experience or conflicting interests to the Fund and be disruptive to the Fund's business;

- real estate operators managing private investment vehicles may be in a position to take action contrary to the Fund's instructions or requests or contrary to the Fund's policies or objectives, including the Fund's policy with respect to maintaining its qualification as a REIT;

- the terms of private investment vehicles could restrict the Fund's ability to sell or transfer its interest to a third party when it desires on advantageous terms, which could result in reduced liquidity;

- the Fund, a real estate operator managing a private investment vehicle or another investor may have the right to trigger a buy-sell arrangement, which could cause the Fund to sell its interest, or acquire such real estate operator or other investor's interest, at a time when the Fund otherwise would not have initiated such a transaction; and

- real estate operators managing private investment vehicles may not have sufficient personnel or appropriate levels of expertise to adequately support the Fund's initiatives.

Any of the above might subject the Fund to liabilities and thus reduce its returns on that private investment vehicle. In addition, disputes between the Fund and real estate operators may result in litigation or arbitration that would increase the Fund's expenses and prevent the Fund's officers and directors from focusing their time and efforts on the Fund's business.

Rental Risk Generally. Lease defaults, terminations by one or more tenants or landlord-tenant disputes may reduce the Fund's revenues and net income. Any of these situations may result in extended periods during which there is a significant decline in revenues or no revenues generated by a property. If this occurred, it could adversely affect the Fund's performance.

In addition, the Fund's investments in real estate will be pressured in challenging economic and rental market conditions. If the Fund or any private investment vehicle through which the Fund invests in single family rental properties experiences difficulties in re-letting or renewing leases for properties or if the rental rates upon such renewal or re-letting are significantly lower than expected, the Fund will experience a reduction in net income and may be required to reduce or eliminate cash distributions.

Negative Interest Rates and Deflation Risk. Interest rates in the United States and many parts of the world, including certain European countries, are at or near historically low levels. Similarly, inflation rates in the United States and many parts of the world are at low levels. In addition, certain foreign governments and central banks have implemented or may implement so-called negative interest rates (e.g., charging depositors who keep their cash at a bank) to spur economic growth. Further Federal Reserve or other U.S. or non-U.S. governmental or central bank actions, including contrary actions by different governments, could negatively affect financial markets generally, increase market volatility and reduce the value and liquidity of securities in which the Fund invests. Changing interest rates, including rates that fall below zero, and deflation may negatively impact different aspects of the Fund's operations. For example, any negative effects of such changes on the general economy may weaken the labor market and lead to a decrease in demand for single family rental properties, resulting in a decline in rental income to the Fund and/or values of properties held by the Fund. Such changes may also reduce the profitability of banks and other financial institutions that provide financing to the Fund, making it more difficult for the Fund to obtain leverage in its investments. Because single family rental properties are generally acquired using indebtedness, and because the Fund may use leverage and may invest in debt instruments, risks associated with the interest rate and general economic environment may be especially significant for the Fund. The full impact of these changes on the U.S. and global economies, the markets, and the practical implications for market participants including the Fund, may not be fully known for some time.

Risk of Competition for Quality Residents. The Fund depends on rental income from tenants for a substantial amount of its income. As a result, the Fund's performance depends in large part upon its ability to invest in single family rental investments that attract and retain qualified residents. The Fund, and the real estate operators through which the Fund acquires single family rental investments, face competition for residents from other lessors of single family properties, apartment buildings, and condominium units. Competing properties may be newer, better located, and more attractive to residents. Many of these competitors may successfully attract residents with better incentives and amenities. Additionally, some competing housing options may qualify for government subsidies that may make such options more accessible and therefore more attractive than properties the Fund invests in. These sources of competition could adversely affect the ability of the Fund and the relevant real estate operator to obtain quality residents and lease single family properties on favorable terms.

In addition, increases in unemployment levels and other adverse changes in economic conditions in the markets in which the Fund holds single family rental investments may adversely affect the creditworthiness of potential residents, which may decrease the overall number of qualified residents for properties within such markets. The Fund could also be adversely affected by overbuilding or high vacancy rates of homes in such markets, which could result in an excess supply of homes and reduce occupancy and rental rates. Continuing development of apartment buildings and condominium units in many markets will increase the supply of housing and exacerbate competition for residents.

In addition, improving economic conditions, along with the availability of low residential mortgage interest rates and government sponsored programs to promote home ownership, have made home ownership more accessible for potential renters who have strong credit. These factors may encourage potential renters to purchase residences rather than lease them, thereby causing a decline in the number and quality of potential residents available to the Fund.

Risk of Competition for Assets. Identifying, completing and realizing attractive portfolio investments is competitive and involves a high degree of uncertainty. The Fund's profitability depends, in large part, on its ability to acquire target assets at attractive prices. In acquiring its target assets, the Fund will compete with developers and other institutional investors including specialty finance companies, public and private funds, REITs, commercial and investment banks, commercial finance and insurance companies and other financial institutions, some of which have greater financial resources and a lower cost of capital than the Fund does. The Fund also competes with individual private home buyers and small-scale investors. Several REITs and other funds have deployed, and others may in the future deploy, significant amounts of capital to purchase single family homes and may have investment objectives that overlap and compete with those of the Fund. As a result of this competition, desirable investments in the Fund's target assets may be limited in the future and the Fund may not be able to take advantage of attractive investment opportunities from time to time, as the Fund can provide no assurance that it will be able to identify and make investments that are consistent with its investment objective. The Fund cannot assure you that the competitive pressures it faces will not have a material adverse effect on its financial condition or the Fund's ability to locate, consummate and exit investments that satisfy its investment objective.

Tenant Bankruptcy Risk. There can be no assurance that any tenant that files for bankruptcy protection will continue to pay rent. A bankruptcy filing by, or relating to, a tenant or a lease guarantor would bar efforts by the property owner to collect pre-bankruptcy debts from that tenant or lease guarantor, or its property, unless the property owner receives an order permitting it to do so from the bankruptcy court. In addition, the property owner cannot evict a tenant solely because of bankruptcy. The bankruptcy of a tenant or lease guarantor could delay efforts to collect past due balances under the relevant leases, and could ultimately preclude collection of these sums. If a lease is assumed by a tenant in bankruptcy, all pre-bankruptcy balances due under the lease must be paid to the property owner in full. If, however, a lease is rejected by a tenant in bankruptcy, the property owner would have only a general, unsecured claim for damages. An unsecured claim would only be paid to the extent that funds are available and only in the same percentage as is paid to all other holders of general, unsecured claims. Restrictions under the bankruptcy laws further limit the amount of any other claims that the property owner can make if a lease is rejected. As a result, it is likely that the property owner would recover substantially less than the full value of the remaining rent during the term. If a tenant or a lease guarantor of a property in which the Fund invests files for bankruptcy, the Fund may suffer a significant loss in such investment.

Alternative Lease Arrangement Risk. The Fund may invest in properties sourced and managed by real estate operator(s) that operate an alternative lease program under which a tenant has the right to purchase such home in the future at a certain predetermined price. Such programs are relatively new to the market and any operator operating such programs generally has a limited track record in operating such programs, which subjects the Fund's investment in these assets to significant risks. For example, an investment in an alternative lease program may not achieve its targeted acquisition yields if proprietary algorithms used by the operator fail to properly analyze market and micro-market factors, and the operator may be unsuccessful in forecasting the rate of lease renewals and home purchases under the alternative lease program. An increase in mortgage interest rates may result in fewer residents exercising their right to purchase their homes, whereas a decrease in mortgage interest rates may result in potential residents being more likely to purchase homes instead of renting homes through the alternative lease program and existing residents being more likely to exercise their rights to purchase their homes. In addition, the average monthly rent of the homes in the portfolio and the impact of other benefits of such alternative lease programs may decrease over time as the portfolio ages and an increasing percentage of the homes in the portfolio transition to a traditional rental program, which may result in decreased rents and lower rental rates, and the operator may be unable to promptly re-lease homes in the portfolio that transition away from the alternative lease program. To the extent that one or more of the above risks is realized, the Fund's investments in homes under such programs may experience losses. In addition, the applicable real estate operator may encounter other unexpected problems in operating such programs, which could materially and adversely affect the Fund's investments in such homes.

Portfolio Acquisitions and Dispositions. The Fund may, directly or indirectly through a private investment vehicle, acquire or sell properties in bulk from or to other property owners, banks, and loan servicers. When the Fund purchases properties in this manner, the Fund generally does not expect to have the opportunity to conduct in-person inspections on the properties. Such inspection processes may fail to reveal major defects associated with such properties, which may cause the amount of time and cost required to renovate and/or maintain such properties to substantially exceed the Adviser's estimates. Bulk portfolio acquisitions are also more complex than single property acquisitions, and the Fund may not be able to implement this strategy successfully. The costs involved in locating and performing due diligence (when feasible) on portfolios of homes, as well as negotiating and entering into transactions with potential portfolio sellers, could be significant, and there is a risk that either the seller may withdraw from the entire transaction for failure to come to an agreement or the seller may not be willing to sell the bulk portfolio on terms that the Fund views as favorable. In addition, a seller may require that a group of homes be purchased as a package even though the Fund may not want to purchase certain individual assets in the bulk portfolio. Moreover, financial and other information provided to the Adviser regarding such portfolios during its due diligence may be inaccurate, and the Adviser may not discover such inaccuracies until it is too late to seek remedies against such sellers.

From time to time the Fund may engage, directly or indirectly, in bulk portfolio dispositions of properties consistent with its investment strategy. With respect to any such disposition, the purchaser may default on payment or otherwise breach the terms of the relevant purchase agreement, and it may be difficult for the Fund to pursue remedies against such purchaser or retain or resume possession of the relevant properties. To the extent the Fund pursues such remedies, it may not be able to successfully prevail against the purchaser.

Property Manager Risk. The Fund hires, directly or indirectly, property managers to manage properties and leasing agents to lease vacancies in properties. When the Fund acquires properties through a real estate operator or through a private investment vehicle sponsored by a real estate operator, an affiliate of such operator typically serves as the property manager of the properties. The property managers have significant decision-making authority with respect to the management of properties the Fund owns directly or indirectly. The ability of the Adviser to direct and control how the properties in which the Fund has an investment are managed on a day-to-day basis is limited because it generally expects to engage other parties to perform this function, because the interest the Fund has in the private investment vehicle may be non-voting or for other reasons. Any adversity experienced by, or problems in the Fund's relationship with, property managers or leasing agents could adversely impact the operation and profitability of properties owned directly or indirectly by the Fund.

Cost Overrun and Non-Completion Risk. A substantial portion of the rental properties that the Fund may invest in may require some level of renovation either immediately upon their acquisition or in the future following expiration of a lease or otherwise. The Fund may acquire properties that require extensive renovation and capital expenditures. In addition, from time to time, properties the Fund invests in may require ongoing maintenance or significant renovations and repairs. The Fund intends to rely on third-party service providers, including those affiliated with the real estate operators from which the Fund acquired assets, to manage any such renovations or maintenance. The Fund is exposed to all of the risks inherent in property renovation and maintenance, including potential cost overruns, increases in labor and materials costs, delays by contractors in completing work, delays in the timing of receiving necessary work permits, certificates of occupancy, and poor workmanship. Costs of construction or improvements to bring a property up to standards established for the market position intended for that property may exceed original estimates, possibly making a project uneconomical. Other risks may include environmental risks and construction, rehabilitation and if applicable, subsequent leasing of the property not being completed on schedule.

Similarly, the renovation, refurbishment or expansion of a mortgaged or leveraged property that directly or indirectly secures a debt instrument that the Fund holds involves risks of cost overruns and non-completion. If such construction or renovation is not completed in a timely manner, or if it costs more than expected, the borrower of a loan secured by such property that the Fund invests in may experience a prolonged impairment of net operating income and may not be able to make payments on the Fund's investment.

Property Taxes Risk. Depending on investment structure, the Fund is generally responsible, directly or indirectly, for paying all real property taxes applicable to properties owned by it. The property taxes may increase or decrease as property tax rates change and as the properties are assessed or reassessed by taxing authorities, with any increases in taxes having a negative effect on the performance of the Fund.

Regulatory Risks. The Fund may be adversely affected by new (or revised) laws or regulations imposed by federal, state or local authorities that affect the assets in which the Fund may invest. Because increases in state or local sales, income, service or transfer taxes are generally not passed through to tenants under leases, such increases may adversely affect the Fund's cash flow and its ability to make distributions to shareholders. Real property is also subject to governmental authorities at the federal, state and local levels who are actively involved in the promulgation and enforcement of regulations relating to land use and zoning restrictions. Regulations may be promulgated that could have the effect of restricting or curtailing certain uses of existing structures or requiring that such structures be renovated or altered in some fashion. The establishment of such regulations could have the impact of increasing the expenses and lowering the profitability of any of the properties affected thereby. Increased costs resulting from increases in real estate, income or transfer taxes or other governmental requirements generally may not be passed through directly to residents, tenants or lessees, inhibiting the ability of the Fund to recover such costs. In addition, the Fund may be adversely impacted by rent control or rent stabilization laws or other laws regulating housing that could prevent property owners from raising rents sufficiently to offset increases in operating costs or from removing delinquent tenants.

Under the Americans with Disabilities Act of 1990 (the "ADA"), all public accommodations and commercial facilities are required to meet certain federal requirements related to access and use by disabled persons. Compliance with the ADA requirements could require removal of access barriers. Non-compliance with the ADA could result in imposition of fines by the U.S. government or an award of damages to private litigants. Future changes to federal, state and local laws also may require modifications to the Fund's properties, or restrict the Fund's ability to renovate its properties. While the amounts of such compliance costs, if any, are not currently ascertainable, they may have an adverse effect on the Fund. Generally, remediation work and lawsuits related to ADA issues are not covered by insurance policies obtained by the Fund.

Limited Warranties Risk. The Fund may obtain only limited warranties when it purchases a property directly or indirectly, which will increase the risk that it may lose some or all of its invested capital in the property or rental income from the property which, in turn, could materially adversely affect the Fund's performance and the Fund's ability to make distributions. The seller of a property often sells such property in an "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, the related real estate purchase and sale agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. Despite the Fund's efforts, it may fail to uncover all material risks during the diligence process. The purchase of properties with limited warranties increases the risk that the Fund may lose some or all of its invested capital in the property, as well as the loss of rental income from that property if an issue should arise that decreases the value of that property and is not covered by the limited warranties.

Insurance Risk. Certain types of losses, generally of a catastrophic nature, such as earthquakes, floods and hurricanes, may be uninsurable or not economically insurable. The Fund or a private investment vehicle through which the Fund invests in properties, if applicable, may not obtain, or require tenants to obtain, certain types of insurance if it is deemed commercially unreasonable. Under such circumstances, the insurance proceeds, if any, might not be adequate to restore the economic value of the property, which might decrease the value of the property. As a result, the Fund could lose its investments in, and anticipated profits and cash flows from, a number of properties.

Environmental Risk. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner of real property, such as the Fund or a private investment vehicle through which the Fund owns real property and tenants, may be considered an owner, operator, or responsible party of such properties and therefore may be liable in certain circumstances for the costs of investigation, removal or remediation of, or related releases of, certain hazardous or toxic substances, including materials containing asbestos, at, under or disposed of in connection with such property, as well as certain other potential costs relating to hazardous or toxic substances, including government fines, liabilities, and damages for injuries to persons and adjacent property.

Furthermore, the Fund may invest in properties, or mortgage loans secured by properties, with environmental problems that materially impair the value of such properties. Even as a lender, if the Fund takes title to collateral with environmental problems or if other circumstances arise, the Fund could be subject to environmental liability. There are substantial risks associated with such an investment.

Mortgage Loan Risk. The Fund's debt investment in single family rental properties will be secured by properties and will be subject to risks of delinquency, loss, taking title to collateral and bankruptcy of the borrower. The ability of a borrower to repay a loan secured by real property is typically dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced or is not increased, depending on the borrower's business plan, the borrower's ability to repay the loan may be impaired. If a borrower defaults or declares bankruptcy and the underlying asset value is less than the loan amount, the Fund will suffer a loss. In this manner, real estate values could impact the value of the Fund's real estate debt investment.

In addition, the Fund may invest in mortgage loans that are not fully amortizing, which means that they may have a significant principal balance or balloon payment due on maturity. Full satisfaction of the balloon payment by a borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, as well as other factors such as the value of the property, the level of prevailing mortgage rates, the borrower's equity in the property and the financial condition and operating history of the property and the borrower. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan secured by an income-producing property will depend upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired.

Mortgage loans are usually non-recourse in nature. In the event of any default under a mortgage or real estate loan held directly by the Fund, the Fund will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage or real estate loan, which could have a material adverse effect on the Fund's profitability. In the event of the bankruptcy of a mortgage or real estate loan borrower, the mortgage or real estate loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage or real estate loan will be subject to the avoidance powers of the bankruptcy director or debtor-in-possession to the extent the lien is unenforceable under state law. Additionally, in the event of a default under any senior debt, the junior or subordinate lender generally forecloses on the equity, purchases the senior debt or negotiates a forbearance or restructuring arrangement with the senior lender in order to preserve its collateral.

Subordinated Real Estate Loan Risk. The Fund may acquire or originate subordinated real estate loans secured by single family rental properties. In the event a borrower defaults on a subordinated loan and lacks sufficient assets to satisfy such loan, the Fund may suffer a loss of principal or interest. In the event a borrower declares bankruptcy, the Fund may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. If a borrower defaults on a loan owned by the Fund or on debt senior to such loan, or in the event of a borrower bankruptcy, such loan will be satisfied only after the senior debt is paid in full. Where debt senior to a loan owned by the Fund exists, the presence of intercreditor arrangements may limit the Fund's ability to amend loan documents, assign loans, accept prepayments, exercise remedies (through "standstill periods"), and control decisions made in bankruptcy proceedings relating to borrowers.

Mezzanine Loan Risk. The Fund may invest in mezzanine loans that take the form of subordinated loans secured by a pledge of the ownership interests of either the entity owning the single family rental properties or the entity that owns the interest in the entity owning the properties. These types of investments involve a higher degree of risk than first-lien mortgage loans secured by real property because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, the Fund may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy the Fund's mezzanine loan. If a borrower defaults on the Fund's mezzanine loan or debt senior to the Fund's loan, or in the event of a borrower bankruptcy, the Fund's mezzanine loan will be satisfied only after the senior debt. As a result, the Fund may not recover some or all of its investment. In addition, mezzanine loans may have higher loan-to-value ratios than conventional mortgage loans, resulting in less equity in the real property and increasing the risk of loss of principal.

Illiquidity Risk. The Fund is designed for long-term investors and an investment in the Fund's Shares should be considered illiquid. The Shares are not listed for trading on any securities exchange. There is no public market for the Shares, although the Fund may consider listing its Shares in the future.

The Fund's interval fund structure only provides limited liquidity. The Fund conducts annual repurchase offers for Shares, which the Fund expects to be for a maximum of 5% of the Fund's outstanding Shares. It is possible that a repurchase offer may be oversubscribed, with the result that shareholders may only be able to have a portion of their Shares tendered for repurchase actually repurchased on the desired repurchase date. There is no assurance that you will be able to tender your Shares when or in the amount that you desire.

To the extent consistent with the repurchase liquidity requirement of an interval fund, the Fund will invest primarily in illiquid investments. Because real estate investments are relatively illiquid, it may be difficult or impossible for the Fund to sell such assets at the time that the Fund would like or at the price that the Fund believes the investment is currently worth. The Fund's ability to realize full value in the event of the need to liquidate certain assets may be impaired and this may result in losses to the Fund. The Fund may be unable to sell its investments, even under circumstances when the Adviser believes it would be in the best interests of the Fund to do so. Illiquid investments may also be difficult to value and their pricing may be more volatile than more liquid investments, which could adversely affect the price at which the Fund is able to sell such instruments. The risks associated with illiquid instruments may be particularly acute in situations in which the Fund's operations require cash (such as in connection with repurchase offers) and could result in the Fund borrowing to meet its short-term needs or incurring losses on the sale of illiquid instruments. In addition, the risks associated with illiquid instruments will be particularly acute when the Fund winds down its investments upon the expiration of its term and the Fund may be forced to incur losses on the sale of illiquid instruments or to delay the wind-down process.

Distribution Risk. There can be no assurance that the Fund will achieve investment results that will allow the Fund to make a specified level of cash distributions or maintain certain levels of cash distributions. All distributions will be paid at the discretion of the Adviser and may depend on the Fund's earnings, the Fund's net investment income, the Fund's financial condition, compliance with applicable regulations and such other factors as the Adviser may deem relevant from time to time. Subject to the requirements of the 1940 Act, the Fund may make distributions from sources other than current income, including capital gains, proceeds from this offering or from borrowings, or return of capital. In addition, subject to the Fund's compliance with REIT requirements, the Fund may reinvest part or all of its income to acquire new assets.

Investments Longer than Term. The Fund may make investments that may not be realized prior to the date the Fund is dissolved. The Fund may attempt to sell, distribute, or otherwise dispose of investments at a time that may be disadvantageous, and as a result, the price obtained for such investments may be less than that which could have been obtained if the investments were held for a longer period of time. Moreover, the Fund may be unsuccessful in realizing investments at the time of the Fund's dissolution. There can be no assurance that the winding up of the Fund and the final distribution of its assets will be able to be executed expeditiously.

Subsequent Fund Risk. As described in more detail under "Dividend Reinvestment Plan" below, after the Subscription Period of the Fund, you may be given the opportunity to elect to have all dividends and capital gains distributions automatically invested in a Subsequent Fund, to the extent a Subsequent Fund is available for investment at the time of such dividend or distribution. It is expected that such an election, if exercised, would apply to all future dividends and capital gains distributions to which an investor is entitled until such time as such Subsequent Fund is no longer available for investment, unless such investor revokes such election. Investing dividends and capital gains distributions in the applicable Subsequent Fund involves risks, which the Adviser expects to be substantially similar to the risks of investing in the Fund. In addition, there can be no assurance that any Subsequent Fund will perform as well or better than the Fund, and any such Subsequent Fund may underperform the Fund, which would adversely affect your return as compared to reinvestment in the Fund itself and could result in your investment performing worse than if you had accepted such dividends and capital gains in the form of cash. The Adviser also retains the flexibility to adjust the strategies of a Subsequent Fund based on market conditions and other considerations. Subsequent Funds may not have identical strategies to the Fund or each other, and investors may have investments in the Fund and in one or more Subsequent Funds simultaneously. Any investment in a Subsequent Fund could result in a loss of some or all of the amount invested in such Subsequent Fund. Furthermore, there is no guarantee that the Adviser will launch a Subsequent Fund. The Adviser may decide not to launch any such Subsequent Fund or to modify the subscription period of any such Subsequent Fund in its sole discretion, which could result in there being no eligible Subsequent Fund in which to invest dividends and capital gains distributions. In that event, dividends and capital gains distributions will be distributed in cash, and investors may face the risks associated with reinvestment of such dividends in distributions in other opportunities.

Privacy and Data Security Laws. The Gramm-Leach-Bliley Act ("GLBA") and other laws limit the disclosure of certain non-public personal information about a consumer to non-affiliated third parties and require financial institutions to disclose certain privacy policies and practices with respect to information sharing with both affiliates and non-affiliated third parties. Many states and a number of non-U.S. jurisdictions have enacted privacy and data security laws requiring safeguards on the privacy and security of consumers' personally identifiable information. Other laws deal with obligations to safeguard and dispose of private information in a manner designed to avoid its dissemination. Privacy rules adopted by the U.S. Federal Trade Commission implement GLBA and other requirements and govern the disclosure of consumer financial information by certain financial institutions, ranging from banks to private investment funds.

The Fund generally does not intend to obtain or hold non-public personal information of tenants or borrowers, and the Fund intends to implement procedures designed to prevent the disclosure of non-public personal information to the Fund. However, service providers to the Fund, including the Fund's custodian, property managers and loan servicers may obtain, hold or process such information. Violations of privacy and data protection laws could subject the Fund to litigation and/or fines, penalties or other regulatory action, which, individually or in the aggregate, could have an adverse effect on the Fund. The Fund may also face regulations related to privacy and data security in the other jurisdictions in which the Fund invests.

Leverage Risk. The Fund intends to obtain financing to make investments and/or to fund Share repurchases. The Fund also may obtain leverage through asset-backed securities that afford the Fund economic leverage. Leverage magnifies the Fund's exposure to declines in the value of one or more underlying reference assets or creates investment risk with respect to a larger pool of assets than the Fund would otherwise have and may be considered a speculative technique. For example, if the Fund obtains structural leverage that finances its investments, a decrease in the value of those investments will negatively impact the Fund's net asset value to a greater extent than if the Fund had not used leverage. The value of an investment in the Fund will be more volatile and other risks tend to be compounded if and to the extent that the Fund borrows or uses investments that have embedded leverage. In addition, the Fund's interests in Subsidiaries, private investment and similar vehicles that have entered into borrowing arrangements typically will rank after such borrowings and if such vehicles' assets decline in value, the return on the Fund's equity interest may be adversely affected.

Market conditions may unfavorably impact the Fund's ability to secure borrowings on favorable or commercially feasible terms. The Fund's borrowings may be on a secured or unsecured basis, and at fixed or variable rates of interest. Borrowing will also cost the Fund interest expense and other fees. The costs of borrowing will reduce the Fund's return. Unless the rate of return, net of applicable Fund expenses, on the Fund's investments exceeds the costs to the Fund of the leverage it utilizes, the investment of the Fund's net assets attributable to leverage will generate less income than will be needed to pay the costs of the leverage and the facility fees that the Fund pays, resulting in a loss to the Fund even if the rate of return on those assets is positive. To the extent the Fund is able to secure financing, fluctuations in interest rates could increase the costs associated with the Fund's use of certain forms of leverage, and such costs could reduce the Fund's return.

The 1940 Act requires a closed-end fund to have asset coverage of not less than 300% of the value of the outstanding amount of senior securities representing indebtedness (as defined in the 1940 Act) at the time of the indebtedness issuance and generally requires a closed-end fund to make provision to prohibit the declaration of any dividend (except a dividend payable in stock of the fund) or distribution on the fund's stock or the repurchase of any of the fund's stock, unless, at the time of the declaration or repurchase, there is asset coverage of at least 300%, after deducting the amount of the dividend, distribution or purchase price, as the case may be. To satisfy 1940 Act requirements in connection with leverage or to meet obligations, the Fund may be required to dispose of portfolio securities when such disposition might not otherwise be desirable. Engaging in such transactions may cause the Fund to liquidate positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Because, as discussed in more detail under "Illiquidity Risk" above, the Fund's portfolio will be substantially illiquid, any such disposition or liquidation could result in losses to the Fund. There can be no assurances that the Fund's use of leverage will be successful.

The above-described risks associated with leverage arise from leverage that the Fund obtains directly as well as from leverage the Fund obtains indirectly through Subsidiaries or private investment vehicles. The Fund expects to incur property-level debt, and will not treat non-recourse property-level borrowings incurred by a private investment vehicle that the Fund invests in or a special purpose vehicle owned by the Fund as senior securities for purposes of complying with the 1940 Act's limitations on leverage unless the financial statements of such vehicle holding such debt will be consolidated in the Fund's financial statements.

The Fund's borrowings may be secured by investments held by Subsidiaries of the Fund. The Subsidiaries of the Fund that pledge investments to secure the Fund's borrowings are typically separate bankruptcy-remote entities formed for the purpose of holding specific securities and pledging those securities to secure the Fund's borrowing. The assets of any such Subsidiary are not available to other creditors, or to any other Subsidiary or the Fund, except to the extent of permitted distributions made to the Fund.

Risk of Fraud. The Fund may be subject to the risk of fraudulent activity associated with the various parties involved in real estate investments, including the sellers of properties, issuers of real estate loans, banks, borrowers and third parties handling borrower, investor and tenant information. There can be no assurance that the Adviser will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during our efforts to monitor the investments on an ongoing basis or that any risk management procedures implemented by the Fund will be adequate. When conducting due diligence and making an assessment regarding an investment, the Adviser will rely on the resources available to it, including information provided by the seller of the investment and, in some circumstances, third-party investigations. The due diligence investigation that the Adviser carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Consultants, legal advisers, appraisers, accountants, investment banks and other third parties may be involved in the due diligence process and/or the ongoing operation of our portfolio properties to varying degrees depending on the type of investment. For example, certain asset management and finance functions, such as data entry relating to a portfolio property, may be outsourced to a third-party service provider whose fees and expenses will be borne by such portfolio property or the Fund. Such involvement of third-party advisers or consultants may present a number of risks primarily relating to our reduced control of the functions that are outsourced.

Below Investment Grade Securities and Unrated Securities Risk. The Fund may have exposure, without limitation, to investments that are rated below investment grade or that are unrated but are judged by the Adviser to be of credit quality comparable to securities rated below investment grade by a nationally recognized statistical rating organization. Below investment grade debt securities, which are commonly called "junk bonds," are rated below BBB- by Standard & Poor's Ratings Services ("S&P") or Baa3 by Moody's Investors Service, Inc., ("Moody's"), or have comparable ratings by another rating organization. Accordingly, certain of the Fund's unrated investments could constitute a highly risky and speculative investment, similar to an investment in "junk bonds."

Below investment grade investments may be subject to greater risks than other investments, including greater levels of risk related to changes in interest rates, credit risk (including a greater risk of default) and liquidity risk. The ability of the issuer to make principal and/or interest payments is predominantly speculative for below investment grade investments or unrated investments judged by the Adviser to have a similar quality. Below investment grade investments or unrated investments judged by the Adviser to be of comparable quality may be more susceptible to real or perceived adverse economic and competitive industry or business conditions than higher-grade investments. Yields on below investment grade investments will fluctuate.

Interest Rate Risk. The values of the Fund's investments in real estate debt investments change in response to interest rate changes. In general, the value of a debt security is likely to fall as interest rates rise. This risk is generally greater for obligations with longer maturities or for debt securities that do not pay current interest. Debt securities with floating interest rates can be less sensitive to interest rate changes, although, to the extent the Fund's income is based on short-term interest rates that fluctuate over short periods of time, income received by the Fund may decrease as a result of a decline in interest rates; floating rate loans can also decrease in value if their interest rates do not rise as quickly or as much as market interest rates. Conversely, variable rate instruments generally will not increase in value if interest rates decline. When interest rates increase or for other reasons, debt securities may be repaid more slowly than expected. As a result, the maturity of the debt instrument may be extended, increasing the potential for loss.

Interest rate changes can be sudden and unpredictable, and the Fund may lose money if these changes are not anticipated by the Adviser. A wide variety of factors can cause interest rates to fluctuate (*e.g.*, central bank monetary policies, inflation rates, general economic conditions and market developments), and debt securities may be difficult to value during such periods. Over the past decade, governmental financial regulators, including the U.S. Federal Reserve, have taken steps to maintain historically low interest rates by purchasing bonds. Continued economic recovery, the U.S. Federal Reserve's conclusion of its quantitative easing program and recent increases in interest rates could increase the probability that interest rates will continue to rise in the near future. To the extent the U.S. Federal Reserve continues to raise interest rates, there is a risk that rates across the financial system may rise, which could have an adverse effect on prices for debt securities and on the management of the Fund.

Prepayment Risk. Borrowers may decide to prepay all or a portion of the remaining principal amount due under a real estate loan at any time, without penalty, unless the underlying loan agreement provides for prepayment penalties. Prepayment reduces the yield to maturity and the average life of a loan or other security. In the event of a prepayment of all or a portion of the remaining unpaid principal amount of a loan to which the Fund has investment exposure, the Fund will receive such prepayment but further interest will cease to accrue on the prepaid portion of the loan after the date of the prepayment. If the Fund buys a security at a premium, the premium could be lost in the event of a prepayment. In periods of falling interest rates, the rate of prepayments (and price fluctuation) tends to increase as borrowers are incentivized to pay off debt and refinance at new lower rates. Borrowers may also seek to prepay debt obligations in order to refinance at lower interest rates if their credit standing improves such that they are eligible to borrow at a lower interest rate. During such periods, the Fund generally will be forced to reinvest the prepayment proceeds at lower rates of return than the Fund expected to earn on the prepaid assets, provided that the Fund is able to identify suitable reinvestment opportunities, which may adversely impact the Fund's performance.

Valuation Risk. The Fund is subject to valuation risk, which is the risk that one or more of the assets in which the Fund invests are priced incorrectly, due to factors such as incomplete data, market instability or human error. If the Fund ascribes a higher value to assets and their value subsequently drops or fails to rise because of market factors, returns on the Fund's investment may be lower than expected and could experience losses.

The Fund typically uses third-party valuation agents to value the properties that the Fund holds directly or through a Subsidiary and uses third-party pricing servicers to value the Fund's investments in real estate debt instruments, as market quotations generally are not available. The Fund's investments may also be fair valued by the Adviser Valuation Committee as defined under, and in accordance with the procedures described under, "Determination of Net Asset Value" below. Such fair valuations may take into account rates from third-party appraising firms or valuation agents, including those affiliated with the real estate operators from which the Fund purchases assets, in valuing assets. There is no assurance that the Fund could sell a portfolio asset for the value established for it at any time and it is possible that the Fund would incur a loss because a portfolio asset is sold at a discount to its established value. If assets are mispriced, shareholders could lose money upon sale in connection with a periodic repurchase offer or could pay too much for Shares purchased. In addition, the participation of the Adviser's personnel in the Fund's valuation process could result in a conflict of interest, as the management fee paid to the Adviser is based on the value of the Fund's assets.

Ramp-up and Exposure Risk. Although the Fund currently intends to invest the proceeds from any sale of Shares offered hereby as soon as practicable, such investments may be delayed if suitable investments are unavailable at the time. If the Fund is not able to deploy capital in a timely or efficient manner, it may be forced to invest in cash, cash equivalents or other assets that may result in lower returns than the return obtainable from the type of investments in the real estate industry the Fund seeks to acquire. Such investments may also make it more difficult for the Fund to qualify as a REIT. There can be no assurances as to how long it will take the Fund to invest the net proceeds from sales of Fund Shares, and the longer the period the greater the likelihood that the Fund's performance will be adversely affected.

A large proportion of the Fund's portfolio may consist of assets obtained from or through a small number of real estate operators. There may only be a limited number of operators providing access to the types of assets in which the Fund invests. The Fund also faces competition for access to operators, including from other institutional investors. Such competitors may have higher risk tolerance, greater financial or other resources and/or other advantages as compared to the Fund. If the Fund's access to operators is limited, whether due to market conditions, competitive pressures, termination of existing arrangements or other factors, its exposure to the risks associated with individual operators may increase. The Fund is not subject to limits on the percentage of its portfolio that it can allocate to assets it obtains from a single real estate operator. In instances where the Fund obtains a high percentage of its assets from a single real estate operator, it will face elevated risks associated with that operator, including risks associated with such real estate operator's business operations and financial condition.

Geographic Focus Risk. The Fund's investments will be concentrated in the U.S. The Fund is not subject to any geographic restrictions when investing and, therefore, could focus its investments in a particular geographic region, within the U.S. A geographic focus in a particular region may expose the Fund to an increased risk of loss due to risks associated with that region. Certain regions from time to time will experience weaker economic conditions than others and, consequently, will likely experience higher rates of delinquency and loss than on similar investments across the geographic regions to which the Fund is exposed. In the event that a significant portion of the Fund's investments relate to loans owed by borrowers resident or operating in certain specific geographic regions, any localized economic conditions, weather events, natural or man-made disasters or other factors affecting those regions in particular could increase delinquency and defaults on the assets to which the Fund is exposed and could negatively impact Fund performance. Further, any focus of the Fund's investments in one or more regions would have a disproportionate effect on the Fund if governmental authorities in any such region took action against any of the participants in the real estate industry doing business in that region.

Government Securities Risk. The Fund may invest in securities issued or guaranteed by the U.S. government (including U.S. Treasury obligations that differ in their interest rates, maturities and times of issuance). U.S. government securities are subject to market risk, risks related to changes in interest rates and credit risk. Securities that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity and the market prices for such securities will fluctuate. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of interest or principal. This would result in losses to the Fund. As a result of their high credit quality and market liquidity, U.S. government securities generally provide a lower current return than obligations of other issuers.

Investments in Other Pooled Investment Vehicles. Direct or indirect investing in another pooled investment vehicle, including securitization vehicles that issue asset-backed securities exposes the Fund to all of the risks of that vehicle's investments. The Fund bears its pro rata share of the expenses of any such vehicle, in addition to its own expenses. The values of other pooled investment vehicles are subject to change as the values of their component assets fluctuate. To the extent the Fund invests in managed pooled investment vehicles, the performance of the Fund's investments in such vehicles will be dependent upon the investment and research abilities of persons other than the Adviser. The securities offered by such vehicles typically are not registered under the securities laws because they are offered in transactions that are exempt from registration.

Market Risk. The Fund's business and operations are dependent on the real estate industry generally, which in turn is dependent upon broad economic conditions. Challenging economic and financial market conditions may cause the Fund to experience an increase in the number of investments that result in losses, including delinquencies in loans, non-performing rental properties and a decrease in the value of properties that the Fund owns or that secure the Fund's debt investments, all of which could adversely affect the Fund's performance. The Fund may be forced to sell assets at undesirable prices, which may result in the Fund's NAV declining and the Fund incurring substantial losses.

These conditions may increase the volatility of the value of real estate investments made by the Fund. These developments also may make it more difficult for the Fund to accurately value its investments or to sell its investments on a timely basis. These developments, including rising interest rates, could adversely affect the ability of the Fund to use leverage for investment purposes and increase the cost of such leverage, which would reduce returns. Such developments could, in turn, diminish significantly the Fund's revenue from investments and adversely affect the Fund's NAV.

Volatility Risk. The market value of the real estate related securities to which the Fund has exposure may increase or decrease, sometimes rapidly and unpredictably, based upon changes in an issuer's financial condition and/or overall market and economic conditions. Because many of the Fund's real estate related securities investments may be illiquid and/or below investment grade (or unrated, but of a similar quality; debt securities that are below investment grade are commonly called "junk bonds"), the Fund may be subject to increased volatility risk. In addition, the Fund's use of leverage increases the volatility of the Fund's value.

Management and Operational Risk; Cyber-Security Risk. The Fund is subject to management risk because it relies on the Adviser's ability to achieve its investment objective. The Fund runs the risk that the Adviser's investment techniques will fail to produce desired results and cause the Fund to incur significant losses. The Adviser may fail to use derivatives effectively, may select investments that do not perform as anticipated by the Adviser and may choose to hedge or not to hedge positions at disadvantageous times.

Any imperfections, errors or limitations in quantitative analyses and models used by the Adviser as part of its investment process could affect the Fund's performance. Models that appear to explain prior market data can fail to predict future market events. Further, the data used in models may be inaccurate or may not include the most recent information about a company or a security.

The Fund also is subject to the risk of loss as a result of other services provided by the Adviser and other service providers, including pricing, administrative, accounting, tax, legal, custody, transfer agency and other services. Operational risk includes the possibility of loss caused by inadequate procedures and controls, human error and cyber attacks, disruptions and failures affecting, or by, a service provider. For example, trading delays or errors (both human and systematic) could prevent the Fund from benefiting from potential investment gains or avoiding losses.

The Fund and its service providers' use of internet, technology and information systems may expose the Fund to potential risks linked to cyber-security breaches of those technological or information systems. Cyber-security breaches could allow unauthorized parties to gain access to proprietary information, customer data or Fund assets, or cause the Fund or its service providers to suffer data corruption or lose operational functionality. With the increased use of technologies and the dependence on computer systems to perform necessary business functions, investment companies (such as the Fund) and their service providers (including the Adviser) may be prone to operational and information security risks resulting from cyber attacks and/or other technological malfunctions. In general, cyber attacks are deliberate, but unintentional events may have similar effects. Cyber attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber attacks against, or security breakdowns of, the Fund, the Adviser, or the custodian, transfer agent, or other third-party service provider may adversely affect the Fund or its shareholders. For instance, cyber attacks may interfere with the processing of shareholder transactions, affect the Fund's ability to calculate its NAV, cause the release of private shareholder information or confidential Fund information, impede trading, cause reputational damage, result in theft of Fund assets, and subject the Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. Similar types of cyber-security risks may also be present for issuers of securities in which the Fund invests or such issuers' counterparties, which could result in material adverse consequences for such issuers and could cause the Fund's investment in such securities to lose value. While the Adviser has established business continuity plans and systems designed to prevent cyber attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified.

Equity Investment Risk. Equity securities fluctuate in price, and their short-term volatility at times may be great. To the extent that the Fund obtains exposure to equity securities, the value of the Fund's portfolio will be affected by changes in the stock markets. Market risk can affect the Fund's net asset value per Share, which will fluctuate as the values of the Fund's portfolio securities change. The prices of individual equity securities do not all move in the same direction uniformly or at the same time. Different stock markets may behave differently from one another.

Preferred equity securities are subject to certain risks that differ from those applicable to fixed income instruments and common stock. The value of preferred securities will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects. Preferred securities may also be sensitive to changes in interest rates. When interest rates rise, the fixed dividend on preferred securities may be less attractive, causing the price of preferred stocks to decline. Preferred securities of smaller companies may be more vulnerable to adverse developments than preferred stock of larger companies. When a company's common stock appreciates in value, preferred equity securities may not participate fully, or at all, in such appreciation.

Risks Related to the Fund's REIT Status and Other Tax-Related Risks.

The Fund's failure to qualify as a REIT would subject the Fund to U.S. federal income tax and reduce cash available for distribution to shareholders. The Fund intends to operate in a manner so as to qualify as a REIT for U.S. federal income tax purposes. As a REIT, the Fund generally would not be taxable on its net income distributed currently to its shareholders. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial and administrative interpretations exist. Furthermore, the Fund's Charter does not contain typical provisions related to REIT ownership restrictions and therefore does not ensure that the Fund will satisfy the diversity requirement related to the Fund's share ownership necessary for qualification as a REIT. Even an inadvertent or technical mistake could jeopardize the Fund's REIT qualification. The Fund's qualification as a REIT will depend on its satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. Moreover, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for the Fund to qualify as a REIT.

If the Fund fails to qualify as a REIT in any taxable year, it would be subject to U.S. federal and applicable state and local income tax on its taxable income at corporate rates, in which case the Fund might be required to borrow or liquidate some investments in order to pay the applicable tax. Losing its REIT qualification would reduce the Fund's net income available for investment or distribution to shareholders because of the additional tax liability, which, in turn, would have an adverse impact on the value of the Fund's Shares. In addition, distributions to shareholders would no longer qualify for the dividends-paid deduction and the Fund would no longer be required to make distributions. Furthermore, if the Fund fails to qualify as a REIT in any taxable year for which it has elected to be taxed as a REIT, unless it qualifies for certain statutory relief provisions, it would generally be unable to qualify as a REIT for the four taxable years following the year in which its REIT qualification is lost.

Even if the Fund qualifies as a REIT for U.S. federal income tax purposes, it may be subject to other tax liabilities that reduce its cash flow and its ability to make distributions. Even if the Fund qualifies as a REIT for U.S. federal income tax purposes, the Fund may be subject to certain U.S. federal, state and local taxes on its income and assets, including taxes on any undistributed income or property. Any of these taxes would decrease cash available for distribution to shareholders. For example, to the extent that the Fund satisfies the distribution requirement but distributes less than 100% of its net taxable income, it will be subject to U.S. federal corporate income tax on the undistributed income. In addition, the Fund will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions it pays in any calendar year are less than the sum of 85% of its ordinary income, 95% of its capital gain net income and 100% of its undistributed income from prior years. Also, if the Fund has net income from the sale of foreclosure property that it holds primarily for sale to customers in the ordinary course of business or other non-qualifying income from foreclosure property, it must pay a tax on that income at the highest corporate income tax rate. Further, if the Fund sells an asset, other than foreclosure property, that it holds primarily for sale to customers in the ordinary course of business and does not qualify for a safe harbor in the Code, its gain would be subject to the 100% "prohibited transaction" tax. Any domestic taxable REIT subsidiary ("TRS") of the Fund, if any, will be subject to U.S. federal corporate income tax on its income, and any non-arm's-length transactions between the Fund and any TRS, such as excessive rents charged to a TRS, could be subject to a 100% tax. The Fund may also be subject to state or local income, property and transfer taxes, such as mortgage recording taxes.

The Fund's Charter contains provisions that may limit a shareholder's ownership interest in the Fund. For the Fund to qualify as a REIT under the Code, not more than 50% of the value of the outstanding Shares may be owned, directly or indirectly, by five or fewer individuals (including certain entities treated as individuals for this purpose) during the last half of a taxable year. For the purpose of assisting the Fund's qualification as a REIT for U.S. federal income tax purposes, among other purposes, the Fund's Charter prohibits beneficial or constructive ownership by any person or group of more than 9.8%, in value or number of Shares, whichever is more restrictive, of the outstanding Shares, or 9.8% in value or number of Shares, whichever is more restrictive, of the Fund's outstanding capital stock of all classes or series (the "Ownership Limit"). Any attempt to own or transfer Shares in excess of the Ownership Limit without the consent of the Board will result either in the Shares in excess of the limit being transferred by operation of the Fund's Charter to a charitable trust, and the person who attempted to acquire such excess Shares not having any rights in such excess Shares, or in the transfer being void. In addition, the Fund's Charter provides that the Fund may repurchase at its option (and without the consent of the affected shareholder) any Shares at NAV if the Fund determines that one or more of several conditions are satisfied, one of which is that such repurchase is necessary to preserve the Fund's status as a REIT. However, these provisions do not ensure that the Fund will satisfy the diversity requirement regarding the Fund's share ownership or other requirements necessary for qualification as a REIT. If the Fund fails to satisfy these requirements, it may fail to qualify as a REIT and may suffer adverse tax consequences. The Ownership Limit and other provisions in the Fund's Charter may have the effect of precluding a change in control of the Fund by a third party, even if such change in control would be in the best interests of shareholders or would result in receipt of a premium to the price of Shares (and even if such change in control would not reasonably jeopardize the Fund's REIT status).

The Fund's qualification as a REIT could be jeopardized as a result of an interest in private investment funds. The Fund will invest in private investment vehicles that may be structured in different legal forms including limited partnerships and limited liability companies. If a private investment vehicle in which the Fund owns an interest takes or expects to take actions that could jeopardize the Fund's qualification as a REIT or require it to pay tax, the Fund may be forced to dispose of its interest in such entity or contribute such interest to a TRS. In addition, it is possible that a private investment vehicle could take an action which could cause the Fund to fail a REIT gross income or asset test, and that the Fund would not become aware of such action in time to dispose of its interest in the private investment vehicle or take other corrective action on a timely basis. The Fund will have to take into account income of such private investment vehicles that are classified as partnerships for U.S. federal income tax purposes, without regard to whether such private investment vehicles make distributions to the Fund to fund its distribution requirements.

Complying with REIT distribution requirements could adversely affect the Fund's ability to execute its business plan and may force the Fund to borrow funds to make distributions to shareholders or otherwise depend on external sources of capital to fund such distributions. To qualify as a REIT, the Fund is required to distribute annually at least 90% of its taxable income, subject to certain adjustments, to its shareholders. The Fund may be required to make distributions to shareholders at times when it would be more advantageous to reinvest cash in its business or when the Fund does not have funds readily available for distribution. Thus, compliance with the REIT requirements may hinder the Fund's ability to operate solely on the basis of maximizing profits.

To the extent that the Fund satisfies the distribution requirement, but distributes less than 100% of its taxable income, it will be subject to U.S. federal corporate income tax on its undistributed taxable income. In addition, the Fund may elect to retain and pay income tax on its net long-term capital gain. In that case, if the Fund so elects, a shareholder would be taxed on its proportionate share of the Fund's undistributed long-term gain and may seek a credit or refund for its proportionate share of the tax the Fund paid. Furthermore, the Fund will be subject to a 4% nondeductible excise tax if the actual amount that it distributes to its shareholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws.

From time to time, the Fund's taxable income may be greater than its cash flow available for distribution to shareholders as a result of, among other things, investments in assets that generate taxable income in advance of the corresponding cash flow from the assets. The Fund also may be allocated income from private investment vehicles that are classified as partnerships for U.S. federal income tax purposes without corresponding distributions. The Fund also may be required to distribute substantial amounts to satisfy its redemption obligations that do not count towards its satisfaction of its REIT distribution requirements.

If the Fund does not have other funds available in the situations described in the preceding paragraphs, it could be required to borrow funds on unfavorable terms, sell investments at disadvantageous prices or find another alternative source of funds to make distributions sufficient to enable the Fund to distribute enough of its taxable income to satisfy the REIT distribution requirements and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase the Fund's costs or reduce its equity.

Because of the distribution requirements, it is unlikely that the Fund will be able to fund all future capital needs, including capital needs in connection with investments, from cash retained from operations. As a result, to fund future capital needs, the Fund likely will have to rely on third-party sources of capital, including both debt and equity financing, which may or may not be available on favorable terms or at all. The Fund's access to third-party sources of capital will depend upon a number of factors, including its current and potential future earnings and cash distributions.

Complying with REIT requirements may cause the Fund to forego otherwise attractive opportunities or liquidate otherwise attractive investments. To qualify as a REIT for U.S. federal income tax purposes, the Fund must continually satisfy tests concerning, among other things, the sources of its income, the nature and diversification of its assets, the amounts it distributes to shareholders and the ownership of its stock. As discussed above, the Fund may be required to make distributions to shareholders at disadvantageous times or when it does not have funds readily available for distribution. Additionally, the Fund may be unable to pursue investments that would be otherwise attractive to it in order to satisfy the requirements for qualifying as a REIT.

Compliance with the REIT requirements may hinder the Fund's ability to operate solely on the basis of profit maximization, will limit the Fund's ability to invest in certain types of investments and may require the Fund to liquidate investments from its portfolio, or refrain from making, otherwise attractive investments. These actions could have the effect of reducing the Fund's income and amounts available for distribution to shareholders.

Complying with REIT requirements may limit the Fund's ability to hedge effectively. The REIT provisions of the Code may limit the Fund's ability to hedge its operations effectively. Income and gain from qualifying hedges will be excluded from both the numerator and the denominator for purposes of the Fund's 75% and 95% gross income tests. The Fund's aggregate gross income from non-qualifying hedges, fees and certain other non-qualifying sources cannot exceed 5% of its annual gross income. As a result, the Fund might have to limit its use of advantageous hedging techniques or implement those hedges through a TRS. Any hedging income earned by a TRS would be subject to federal, state and local income tax at regular corporate rates. This could increase the cost of the Fund's hedging activities or expose the Fund to greater risks associated with interest rate or other changes than the Fund would otherwise incur.

Liquidation of assets may jeopardize the Fund's REIT qualification. To qualify as a REIT, the Fund must comply with requirements regarding its assets and its sources of income. If the Fund is compelled to liquidate its investments to satisfy its obligations to lenders or its redemption obligations, it may be unable to comply with these requirements, ultimately jeopardizing the Fund's qualification as a REIT, or it may be subject to a 100% prohibited transaction tax on any resulting gain if it sells assets that are treated as dealer property or inventory.

Certain financing activities may subject us to U.S. federal income tax and increase the tax liability of the Fund's shareholders. If the Fund holds residual interest in a real estate mortgage investment conduit ("REMIC") or interests in a taxable mortgage pool and retains its REIT qualification, such interests may generate "excess inclusion income." A REIT's excess inclusion income must be allocated among its shareholders in proportion to dividends paid. To the extent that excess inclusion income is allocable to certain types of tax-exempt investors that are not subject to tax on unrelated business taxable income, the Fund would be taxed on such excess inclusion income at the highest corporate income tax rate. A shareholder's share of excess inclusion income cannot be offset by any net operating losses otherwise available to the shareholder.

The prohibited transactions tax may limit the Fund's ability to engage in transactions that would be treated as sales for U.S. federal income tax purposes. A REIT's net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of dealer property, other than foreclosure property, but including loans held primarily for sale to customers in the ordinary course of business. The Fund might be subject to the prohibited transaction tax if it was to dispose of loans in a manner that is treated as a sale of the loans, for U.S. federal income tax purposes. Therefore, in order to avoid the prohibited transactions tax, the Fund may choose not to engage in certain sales of loans, even though such sales might otherwise be beneficial to the Fund. Additionally, the Fund may be subject to the prohibited transaction tax upon a disposition of real property. Although a safe-harbor exception to prohibited transaction treatment is available, the Fund cannot assure shareholders that it can comply with such safe harbor or that it will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of the Fund's trade or business. Consequently, the Fund may choose not to engage in certain sales of real property or may conduct such sales through a TRS.

It may be possible to reduce the impact of the prohibited transaction tax by conducting certain activities through a TRS. However, to the extent that the Fund engages in such activities through a TRS, the income associated with such activities will be subject to a corporate income tax, which may reduce cash available to be distributed to the Fund's shareholders.

Investments outside the United States may subject us to additional taxes and could present additional complications to the Fund's ability to satisfy the REIT qualification requirements. Non-U.S. investments may subject the Fund to various non-U.S. tax liabilities, including withholding taxes. In addition, operating in functional currencies other than the U.S. dollar and in environments in which real estate transactions are typically structured differently than they are in the United States or are subject to different legal rules may present complications to the Fund's ability to structure non-U.S. investments in a manner that enables the Fund to satisfy the REIT qualification requirements.

A shareholder may have current tax liability on distributions automatically reinvested pursuant to the dividend reinvestment plan. Unless otherwise notified by you to the Transfer Agent, dividends and capital gains distributions are automatically reinvested in Shares during the Subscription Period. After the Subscription Period, it will no longer be possible for you to reinvest dividends and capital gains distributions in the Fund. However, following the Subscription Period, you may be given the opportunity to elect to have all dividends and capital gains distributions automatically invested in a Subsequent Fund, to the extent a Subsequent Fund is available for investment at the time of such dividend or distribution. It is expected that such an election, if exercised, would apply to all future dividends and capital gains distributions to which an investor is entitled until such time as such Subsequent Fund is no longer available for investment, unless such investor revokes such election. You will be deemed to have received, and for U.S. federal income tax purposes will be taxed on, the amount reinvested in Shares (or after the Subscription Period, the amount invested in shares of a Subsequent Fund) to the extent the amount reinvested in Shares or invested in shares of a Subsequent Fund was not a tax-free return of capital. Therefore, you may be forced to use funds from other sources to pay your tax liability on the reinvested or invested dividends.

Dividends paid by REITs do not qualify for the reduced tax rates that apply to other corporate distributions. Dividends paid to non-corporate investors by REITs are generally not treated as "qualified dividend income" and, as such, are taxed at ordinary income rates, rather than the preferential rate applicable to qualified dividend income. Although this does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause certain non-corporate investors to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including the Shares. However, for taxable years beginning before January 1, 2026, individuals, trusts and estates may deduct up to 20% of certain pass-through income, including ordinary REIT dividends that are not capital gain dividends or "qualified dividend income," subject to certain limitations. This deduction temporarily reduces the effective tax rate on ordinary REIT dividends.

The Board is authorized to revoke the Fund's REIT election without shareholder approval, which may cause adverse consequences to shareholders. The Fund's Charter authorizes the Board to revoke or otherwise terminate the Fund's REIT election, without the approval of shareholders, if it determines that changes to U.S. federal income tax laws and regulations or other considerations mean it is no longer in the Fund's best interests to qualify as a REIT. The Board has fiduciary duties to the Fund and its shareholders and could only cause such changes in the Fund's tax treatment if it determines in good faith that such changes are in the best interest of the Fund and in the best interests of its shareholders. In this event, the Fund would become subject to U.S. federal income tax on its taxable income and would no longer be required to distribute most of its net income to its shareholders, which may cause a reduction in the total return to shareholders.

Legislative or regulatory tax changes could adversely affect the Fund or shareholders. At any time, the U.S. federal income tax laws can change. Laws and rules governing REITs or the administrative interpretations of those laws may be amended. Laws and rules that allow taxpayers including REITs to take deductions for depreciations and cost recoveries for rental properties may be amended or repealed. Any of those new laws or interpretations may take effect retroactively and could adversely affect the Fund or shareholders.

The Fund may be subject to state or local taxation in various jurisdictions, including those in which it transacts business or resides. State and local tax treatment may not conform to the federal income tax treatment discussed above, and any changes in the federal tax code may not be adopted by the states, potentially leading to material tax liabilities for the Fund and its shareholders. In addition, state and local taxing jurisdictions may adopt new legislation or tax regimes which could significantly impact our tax liabilities or require the Fund to withhold taxes from shareholders. Consequently, prospective shareholders should consult their own tax advisors regarding the effect of state and local tax laws on an investment in the Fund.

No Prior History. The Fund is a newly-organized closed-end management investment company with no history of operations, thus has no financial statements or other meaningful operating or financial data on which potential investors may evaluate the Fund and its performance, and is designed for long-term investors and not as a trading vehicle.

Derivatives Risk. The Fund may invest in a variety of derivatives for hedging and risk management purposes. Derivatives are financial contracts the value of which depends on, or is derived from, an asset or other underlying reference. Derivatives involve the risk that changes in their value may not move as expected relative to changes in the value of the underlying reference asset they are designed to track. The use of derivatives involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets. Derivatives also present additional risks that may include market risk, illiquidity risk, currency risk and credit/counterparty risk. See the Statement of Additional Information for additional information of the various types and uses of derivatives in the Fund's strategies.

Subsidiary Risk and Other Indirect Investing Risk. By investing through Subsidiaries or private investment vehicles, the Fund is exposed to the risks associated with such vehicles' investments. Such vehicles generally are not registered as investment companies under the 1940 Act and are not subject to all of the investor protections of the 1940 Act, although each Subsidiary is managed pursuant to the compliance policies and procedures of the Fund applicable to it. Changes in the laws of the United States and/or the jurisdiction in which a Subsidiary or private investment vehicle is organized could result in the inability of the Fund and/or such vehicle to operate as described in this prospectus and could adversely affect the Fund.

Non-Diversification Risk. The Fund is classified as a "non-diversified" fund under the 1940 Act. Accordingly, the Fund may invest a greater portion of its assets in the securities of a single issuer than if it were a "diversified" fund. To the extent that the Fund invests a higher percentage of its assets in the securities of a single issuer, the Fund is subject to a higher degree of risk associated with and developments affecting that issuer than a fund that invests more widely.

Repurchase Offers Risk. As described under "Periodic Repurchase Offers" below, the Fund is an "interval fund." In order to provide liquidity to shareholders, the Fund, subject to applicable law, conducts annual repurchase offers of the Fund's outstanding Shares at NAV, subject to approval of the Board. In all cases such repurchases will be for at least 5% and not more than 25%, and are expected to be for a maximum of 5% of its outstanding Shares at NAV, pursuant to Rule 23c-3 under the 1940 Act. The Fund believes that these repurchase offers are generally beneficial to the Fund's shareholders, and repurchases generally are funded from available cash or sales of portfolio securities, which are substantially illiquid. However, repurchase offers and the need to fund repurchase obligations may affect the ability of the Fund to be fully invested or may force the Fund to maintain a higher percentage of its assets in liquid investments, which may harm the Fund's investment performance. Moreover, diminution in the size of the Fund through repurchases may result in untimely sales of portfolio securities (with associated imputed transaction costs, which may be significant), and may limit the ability of the Fund to participate in new investment opportunities or to achieve its investment objective. If the Fund employed investment leverage, repurchases of Shares would compound the adverse effects of leverage in a declining market. In addition, if the Fund borrows to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their Shares by increasing the Fund's expenses and reducing any net investment income. If a repurchase offer is oversubscribed the Fund will repurchase the Shares tendered on a pro rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some shareholders, in anticipation of proration, may tender more Shares than they wish to have repurchased in a particular quarter, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the NAV of Shares tendered in a repurchase offer may decline between the Repurchase Request Deadline and the date on which the NAV for tendered Shares is determined. In addition, the repurchase of Shares by the Fund may be a taxable event to shareholders.

Portfolio Turnover. A change in the investments held by the Fund is known as "portfolio turnover." If the Fund realizes profits or gains when it sells investments, it generally must pay those profits or gains to shareholders, increasing its taxable distributions, which generally are taxable as ordinary income to shareholders. Increased portfolio turnover may also result in higher brokerage fees or other transaction costs, which can reduce the Fund's performance. Portfolio turnover will not be a limiting factor should the Adviser deem it advisable to purchase or sell securities.

Temporary Defensive and Interim Investments. For temporary defensive purposes in times of adverse or unstable market, economic or political conditions, the Fund can invest up to 100% of its assets in investments that may be inconsistent with its principal investment strategies. Generally, the Fund would invest in money market instruments or in other short-term U.S. or non-U.S. government securities. The Fund might also hold these types of securities as interim investments pending the investment of proceeds from the sale of its Shares or the sale of its portfolio securities or to meet anticipated repurchases of its Shares. To the extent the Fund invests in these securities, it might not achieve its investment objective.

Expense Risk. Your actual costs of investing in the Fund may be higher than the expenses shown in "Annual Fund Operating Expenses" for a variety of reasons. For example, expense ratios may be higher than those shown if overall net assets decrease. The Fund's expense limitation agreements, which generally remain in effect for a period of one year, mitigate this risk. However, there is no assurance that the Adviser will renew such expense limitation agreements from year to year.

Reporting Requirements. Shareholders who beneficially own Shares that constitute more than 5% of the Fund's Shares may be subject to certain requirements under the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder. These may include requirements to file certain reports with the Commission. The Fund has no obligation to file such reports on behalf of such shareholders or to notify shareholders that such reports are required to be made. Shareholders who may be subject to such requirements should consult with their legal advisers.

Anti-Takeover Provisions. The Fund's Charter includes provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status.

MANAGEMENT OF THE FUND

Board of Directors

The Board oversees the conduct of the Fund's affairs and the Adviser's management of the Fund.

The Adviser

Stone Ridge acts as the Fund's investment manager under an Investment Management Agreement (the "Management Agreement"). Stone Ridge's principal office is located at 510 Madison Avenue, 21st Floor, New York, New York 10022. As of October 31, 2019, Stone Ridge's assets under management were approximately $14 billion. Stone Ridge is a Delaware limited liability company and is controlled by Stone Ridge Holdings Group LP, a holding company for the Adviser and its affiliates.

Under the general oversight of the Board, Stone Ridge has been engaged to carry out the investment and reinvestment of the assets of the Fund, furnish continuously an investment program with respect to the Fund, determine which investments should be purchased, sold or exchanged and implement such determinations by causing the Fund to make investments directly or through Subsidiaries or private investment or similar vehicles. Stone Ridge compensates all Directors and officers of the Fund who are members of Stone Ridge's organization and who render investment services to the Fund. The Fund has agreed to pay Stone Ridge as compensation under the Management Agreement a fee in the amount of 2.00% of the average daily net assets of the Fund. Separately from the contractual expense limitation and fee waiver agreement referenced under "Fund Expenses" above, Stone Ridge currently intends to voluntarily waive a portion of its management fee each calendar month, beginning on the first day of the month following the month in which the one-year anniversary of the Fund's commencement of investment operations occurs, as follows: (i) if, on the first day of any month, the Fund's cumulative return (net of fees and expenses) over the trailing twelve month period is less than 6.0%, then Stone Ridge currently intends to voluntarily waive a portion of its management fee such that the management fee accrues at an annual rate of 1.00% of average daily net assets during that month; and (ii) if, on the first day of any month, the Fund's cumulative return (net of fees and expenses) over the trailing twelve month period is equal to or greater than 6.0% but less than 8.0%, then Stone Ridge currently intends to voluntarily waive a portion of its management fee such that the management fee accrues at an annual rate of 1.50% of average daily net assets during that month. Such management fee waivers are purely voluntary and may be discontinued at any time.

A discussion regarding the considerations of the Fund's Board for approving the Management Agreement will be included in the Fund's first semi-annual report to shareholders for the period ended June 30, 2020.

Pursuant to the Management Agreement, Stone Ridge agrees to manage the investment and reinvestment of the Fund's assets, determine what investments will be purchased, held, sold or exchanged by the Fund and what portion, if any, of the assets of the Fund will be held uninvested and continuously review, supervise and administer the investment program of the Fund. Stone Ridge bears its own operating and overhead expenses attributable to its duties under the Management Agreement (such as salaries, bonuses, rent, office and administrative expenses, depreciation and amortization and auditing expenses), except that the Fund bears travel expenses (or an appropriate portion thereof) of Directors or Fund officers who are partners, directors, trustees or employees of Stone Ridge to the extent that such expenses relate to attendance at meetings of the Board or any committees thereof or advisers thereto, and the Fund bears all or a portion of the expenses related to the Fund's chief compliance officer, as may be approved by the Board from time to time. To the extent the Adviser receives advisory fees from a Subsidiary, the Adviser will not receive compensation from the Fund in respect of the assets of the Fund that are invested in such Subsidiary.

The Fund bears all other costs of its operations, including, without limitation, the compensation of the Independent Directors; ordinary administrative and operating expenses, including the management fee and all expenses associated with the pricing of Fund assets; risk management expenses; ordinary and recurring investment expenses, including all fees and expenses directly related to portfolio transactions and positions for the Fund's account (including brokerage, clearing and settlement costs), custodial costs and interest charges; professional fees (including, without limitation, expenses of consultants, experts and specialists); fees and expenses in connection with repurchase offers and any repurchases of Fund Shares; legal expenses (including legal and other out-of-pocket expenses incurred in connection with the organization of the Fund and the offering of its Shares); accounting and auditing expenses incurred in preparing, printing and delivering all reports (including such expenses incurred in connection with any Fund document) and tax information for shareholders and regulatory authorities and all filing costs, fees, travel expenses and any other expenses directly related to the investment of the Fund's assets. The Fund pays any extraordinary expenses it may incur, including any litigation expenses.

Portfolio Managers

Daniel Cook, James Egan, Martin Esteverena and Paul Germain are the Portfolio Managers of the Fund. James Egan and Paul Germain are also Portfolio Managers of other registered investment companies, including mutual funds.

Daniel Cook. Daniel Cook, Portfolio Manager of the Fund, is responsible for the day-to-day management of the Fund and its investments jointly with Mr. Egan, Mr. Germain, and Mr. Esteverena. Prior to joining Stone Ridge in 2016, Mr. Cook was the Head of Structuring for Prime Solutions and Financing at BNP Paribas, where he worked from 2008 to 2016. Mr. Cook received his MBA from MIT (Sloan) and his BBA from the University of Michigan (Ross School of Business).

James Egan. James Egan, Portfolio Manager of the Fund, is responsible for the day-to-day management of the Fund and its investments jointly with Mr. Cook, Mr. Esteverena and Mr. Germain. Prior to joining Stone Ridge in 2016, Mr. Egan was the Vice President of Research and Strategy at Evolution Capital Management, where he worked from 2013 to 2016. He started his career at Bridgewater Associates in the Research Department. Mr. Egan received his BSE from Princeton University in Electrical Engineering.

Martin Esteverena. Martin Esteverena, Portfolio Manager of the Fund, is responsible for the day-to-day management of the Fund and its investments jointly with Mr. Egan, Mr. Germain, and Mr. Cook. Prior to joining Stone Ridge in 2019, Mr. Esteverena was CEO of FirstKey Homes — a Cerberus Capital Management portfolio company, where he worked from 2017 to 2019. Previously, Mr. Esteverena served as EVP Portfolio Operations at Progress Residential from 2013 to 2016. Mr. Esteverena received his MBA from UCLA (Anderson) and his BS from UCLA.

Paul Germain. Paul Germain, Portfolio Manager of the Fund, is responsible for the day-to-day management of the Fund and its investments jointly with Mr. Cook, Mr. Egan and Mr. Esteverena. Prior to joining Stone Ridge in 2015, Mr. Germain was the Global Head of Prime Services at Credit Suisse, where he worked from 2010 to 2015. Mr. Germain received his MBA from Harvard Business School and his BSE in Management from University of Pennsylvania (Wharton).

Adviser's Investment Committee

The Adviser has established an Investment Committee (the "Committee"), which oversees the investment policies and strategies of the Adviser and monitors risk within the funds advised by the Adviser, including the Fund.

The members of the Committee, and their professional background and experience, are as follows:

Daniel Fleder. Mr. Fleder joined Stone Ridge in 2016. Mr. Fleder is the Chair of the Committee and serves as Head of Risk at Stone Ridge. Mr. Fleder was previously Head of Variance Risk Premium at Stone Ridge. Mr. Fleder received his PhD in Operations Research and MS in Statistics from the University of Pennsylvania (Wharton) and BSE in Engineering from the University of Pennsylvania (Engineering School).

Robert Gutmann. Mr. Gutmann is a co-founder of Stone Ridge. Mr. Gutmann has held a variety of leadership roles at Stone Ridge, including Head of Product Development and Execution and his current role as Head of Digital Asset Strategies. Mr. Gutmann received his B.A. in Mathematics and Music from Columbia University.

Ross Stevens. Mr. Stevens founded Stone Ridge in 2012, and serves as Chief Executive Officer. Mr. Stevens received his PhD in Finance and Statistics from the University of Chicago (Booth) and his BSE in Finance from the University of Pennsylvania (Wharton).

Yan Zhao. Ms. Zhao is a co-founder of Stone Ridge. Ms. Zhao has held a variety of leadership roles at Stone Ridge, including Head of Reinsurance and her current role as Head of Flourish. Ms. Zhao holds an MBA from Harvard Business School and a BA in Economics from Harvard University.

Additional Information Regarding the Adviser and Portfolio Managers

The Statement of Additional Information provides additional information about the Adviser, including information about potential conflicts of interest that the Adviser may face in managing the Fund, and about each Portfolio Manager's compensation, other accounts managed by each Portfolio Manager, and each Portfolio Manager's ownership of securities in the Fund. The Statement of Additional Information is part of this prospectus and is available free of charge by calling (855) 609-3680 or at www.stoneridgefunds.com. The information (other than this prospectus, including the Statement of Additional Information) contained on, or that can be accessed through, www.stoneridgefunds.com is not part of this prospectus or the Statement of Additional Information.

Control Persons

A control person is a person who beneficially owns more than 25% of the voting securities of a company. Stone Ridge is currently the sole shareholder of the Fund and, therefore, a control person. However, it is anticipated that Stone Ridge will no longer be a control person once this offering is completed.

The Fund's Service Providers

Custodian. U.S. Bank NA, located at 1555 N. Rivercenter Drive, Suite 302, Milwaukee, Wisconsin 53212, is the Fund's custodian and also is the custodian for assets held by the Fund's Subsidiaries.

Transfer Agent. U.S. Bancorp Fund Services, LLC, located at 615 East Michigan Street, Milwaukee, Wisconsin 53202, is the Fund's transfer agent and dividend disbursing agent.

Administrator. U.S. Bancorp Fund Services, LLC (the "Administrator"), located at 615 East Michigan Street, Milwaukee, Wisconsin 53202, is the Fund's administrator and accounting agent, performing general administrative tasks for the Fund, including, but not limited to, keeping financial books and records of the Fund. The Fund compensates the Administrator at rates that are determined based on the aggregate net assets of the funds in the Stone Ridge fund complex, with each fund paying a pro rata portion of the fee allocated on the basis of the funds' net assets.

Independent Registered Public Accounting Firm. Ernst & Young LLP, 220 South 6th Street, Minneapolis, MN 55402, serves as the Fund's Independent Registered Public Accounting Firm, and is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

Legal Counsel. Ropes & Gray LLP, located at 800 Boylston Street, Boston, Massachusetts, acts as legal counsel to the Fund.

Distributions

The Fund intends to make distributions necessary to maintain its qualification as a REIT. The Fund intends to declare and pay dividends of substantially all net investment income and net realized capital gains, if any, at least annually, although the Fund may declare and pay dividends more frequently (e.g., quarterly). The Fund may pay distributions from sources that may not be available in the future and that are unrelated to the Fund's performance, such as from offering proceeds and borrowings.

If, for any distribution, net investment income and net realized capital gains were less than the amount of the distribution, the difference may be distributed from the Fund's assets in the form of a return of capital which is applied against and reduces the shareholder's basis in his or her Shares. A "return of capital" merely represents a partial return of your original investment and does not represent a gain on the Fund's investments. When you sell your Shares, the amount, if any, by which your sales price exceeds your basis in the Shares is gain subject to tax. Because a return of capital reduces your basis in the Shares, it will increase the amount of your gain or decrease the amount of your loss when you sell the Shares, all other things being equal. To the extent that the amount of any such distribution exceeds the shareholder's basis in his or her Shares, the excess will be treated by the shareholder as gain from a sale or exchange of the Shares. In addition, to make such distributions, the Fund might have to sell a portion of its investment portfolio at a time when independent investment judgment might not dictate such action. The Fund's final distribution for each calendar year may include any remaining net investment income and net realized capital gains undistributed during the year. The Fund's actual financial performance will likely vary significantly from month-to-month and from year-to-year, and there may be extended periods of up to several years when the distribution rate will exceed the Fund's actual total returns. The Fund's projected or actual distribution rate is not a prediction of what the Fund's actual total returns will be over any specific future period.

Various factors will affect the level of the Fund's income, including the asset mix, financial difficulties experienced by any major tenants, and the amount of leverage used by the Fund. To permit the Fund to maintain more stable distributions, the Fund may from time to time distribute less than the entire amount of income earned in a particular period. The undistributed income would be available to supplement future distributions. As a result, the distributions paid by the Fund for any particular quarterly period may be more or less than the amount of income actually earned by the Fund during that period. Undistributed income will add to the Fund's net asset and, correspondingly, distributions from undistributed income will reduce the Fund's NAV.

In order to qualify as a REIT, the Fund is required to distribute to its shareholders each year an amount equal to at least (a) the sum of (i) 90% of the Fund's "REIT taxable income" (computed without regard to its dividends-paid deduction and excluding net capital gains) and (ii) the Fund's net income, if any, (after tax) from foreclosure property, minus (b) the sum of specified items of non-cash income. To the extent that the Fund distributes less than 100% of its "REIT taxable income," as adjusted, the Fund will be subject to tax at the regular corporate tax rates on the retained portion. If the Fund fails to distribute during each calendar year at least the sum of: (i) 85% of the Fund's REIT ordinary income for such year; (ii) 95% of the Fund's REIT capital gain net income for such year; and (iii) any undistributed taxable income from prior periods, the Fund would be subject to a 4% excise tax on the excess of such required distribution over the sum of (a) the amounts actually distributed and (b) the amounts of income retained on which it has paid corporate income tax. The Fund intends to make timely distributions sufficient to satisfy the REIT qualification requirements and, when possible, to avoid material income and excise taxes.

Section 19(b) of the 1940 Act and Rule 19b-1 thereunder generally limit the Fund to one long-term capital gain distribution per year, subject to certain exceptions.

SHAREHOLDER GUIDE

HOW TO BUY SHARES

The Fund has authorized the Transfer Agent and Distributor to receive orders on its behalf, and the Distributor has authorized select intermediaries to receive orders on behalf of the Fund. These intermediaries may be authorized to designate other intermediaries to receive orders on the Fund's behalf. The Fund is deemed to have received an order when the Transfer Agent, the Distributor, an intermediary or if applicable, an intermediary's authorized designee, receives the order in good order. The Shares will be offered at NAV per Share calculated each regular business day. Investors who invest in the Fund through an intermediary should contact their intermediary regarding purchase procedures. Investors may be charged a fee if they effect transactions through an intermediary.

Shares generally are available for investment only by clients of registered investment advisers ("RIAs") and a limited number of certain other Eligible Investors. Certain investors may purchase Shares directly from the Fund by first contacting the Adviser at (855) 609-3680 to notify the Adviser of the proposed investment. Once notification has occurred, if approved, the investor will be directed to the Fund's Transfer Agent to complete the purchase transaction.

All investments are subject to approval of the Adviser, and all investors must complete and submit the necessary account registration forms in good order. The Fund reserves the right to reject any initial or additional investment and to suspend the offering of Shares. Purchase through an intermediary does not affect these eligibility requirements.

A purchase of Shares will be made at the NAV per Share next determined following receipt of a purchase order in good order by the Fund, the Transfer Agent, the Distributor, an intermediary or an intermediary's authorized designee if received at a time when the Fund is open to new investments. A purchase order is in "good order" when the Fund, the Transfer Agent, the Distributor, an intermediary or, if applicable, an intermediary's authorized designee, receives all required information, including properly completed and signed documents, and the purchase order is approved by the Adviser. Once the Fund (or one of its authorized agents described above) accepts a purchase order, you may not cancel or revoke it. The Fund reserves the right to cancel any purchase order it receives if the Fund believes that it is in the best interest of the Fund's shareholders to do so.

Clients of investment advisory organizations may also be subject to investment advisory and other fees under their own arrangements with such organizations.

Shares are offered to the following groups of investors ("Eligible Investors"):

1. Institutional investors, including RIAs;
2. Clients of institutional investors;
3. Tax-exempt retirement plans of the Adviser and its affiliates and rollover accounts from those plans;
4. Certain other Eligible Investors as approved from time to time by the Adviser. Eligible Investors include employees, directors and affiliates of the Adviser and the Fund; and
5. Other fiduciaries investing for their own accounts or for the account of their clients.

Some intermediaries may impose different or additional eligibility requirements. The Adviser has the discretion to further modify or waive their eligibility requirements.

Shares of the Fund generally may be sold only to U.S. citizens, U.S. residents, and U.S. domestic corporations, partnerships, trusts or estates. The Fund reserves the right to refuse any request to purchase Shares. The Shares are subject to the investment minimums described below.

Investment Minimums

The minimum initial account size is $15 million. This minimum investment requirement may be modified or reduced. For eligibility groups 3, 4 and 5 described above under "How to Buy Shares," there is no minimum investment requirement.

Other Policies

No Share Certificates. The issuance of Shares is recorded electronically on the books of the Fund. You will receive a confirmation of, or account statement reflecting, each new transaction in your account, which will also show the total number of Shares of the Fund you own. You can rely on these statements in lieu of certificates. The Fund does not issue certificates representing Shares of the Fund.

Involuntary Redemptions. The Fund reserves the right to redeem an account if the value of the Shares is $1,000 or less for any reason, including market fluctuations. Before the Fund redeems such Shares and sends the proceeds to the shareholder, it will notify the shareholder that the value of the Shares in the account is less than the minimum amount and will allow the shareholder 60 days to make an additional investment in an amount that will increase the value of the account(s) to the minimum amount specified above before the redemption is processed. As a disposition of your Fund Shares, the redemption may have tax consequences.

In addition, the Fund reserves the right under certain circumstances to redeem all or a portion of an account, without consent or other action by the shareholder. Shares may also be subject to mandatory participation in a repurchase offer when a shareholder would otherwise own greater than 9.8% of the Fund's outstanding Shares after giving effect to the repurchase offer, unless such requirement is waived by the Adviser, as described under "Description of the Fund."

Customer Identification Program

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person that opens a new account and to determine whether such person's name appears on government lists of known or suspected terrorists and terrorist organizations.

In compliance with the USA PATRIOT Act of 2001, please note that the Transfer Agent or authorized intermediary will verify certain information upon account opening as part of the Fund's Anti-Money Laundering Program. You will be asked to supply certain required information, such as your full name, date of birth, social security number and permanent street address. If you are opening the account in the name of a legal entity (*e.g.*, partnership, limited liability company, business trust, corporation, etc.), you must also supply the identity of the beneficial owners. Mailing addresses containing only a P.O. box may not be accepted.

If the identity of a customer cannot be verified, the account will be rejected or the customer will not be allowed to perform a transaction on the account until the customer's identity is verified. The Fund may also reserve the right to close the account within 5 business days if clarifying information/documentation is not received. If your account is closed for this reason, your Shares will be redeemed at the NAV next calculated after the account is closed.

The Fund and its agents will not be responsible for any loss in an investor's account resulting from the investor's delay in providing all required identifying information or from closing an account and redeeming an investor's Shares when an investor's identity is not verified.

The Fund may be required to "freeze" your account if there appears to be suspicious activity or if account information matches information on a government list of known terrorists or other suspicious persons.

Fund Closings; Priority

The Fund's Shares are offered on a continuous basis at net asset value ("NAV") per Share during a subscription period of approximately two years after the Fund commences investment operations (the "Subscription Period"). The Fund may close at any time during the Subscription Period to new investments and, during such closings, only the reinvestment of dividends by existing shareholders will be permitted. The Fund may re-open to new investment and subsequently close again to new investment at any time during the Subscription Period at the discretion of the Adviser. The Fund intends to close to new investments after the Subscription Period but it may re-open and subsequently close again to new investment at the discretion of the Adviser. During the time the Fund is closed to new investments, Fund shareholders will continue to be able to participate in periodic repurchase offers, as described below.

PERIODIC REPURCHASE OFFERS

The Fund is a closed-end interval fund and, to provide liquidity and the ability to receive NAV on a disposition of at least a portion of your Shares, makes periodic offers to repurchase Shares. Except as permitted by the Fund's interval structure, no shareholder has the right to require the Fund to repurchase its Shares. Shares may be subject to mandatory participation in a repurchase offer when a shareholder would otherwise own greater than 9.8% of the Fund's outstanding Shares after giving effect to the repurchase offer, unless such requirement is waived by the Adviser, as described under "Description of the Fund." No public market for Shares exists, although the Fund may consider listing its Shares in the future. Consequently, shareholders generally are not able to liquidate their investment other than as a result of repurchases of their Shares by the Fund.

The Fund has adopted, pursuant to Rule 23c-3 under the 1940 Act, a fundamental policy, which cannot be changed without shareholder approval, requiring the Fund to offer to repurchase at least 5% and up to 25% of its Shares at NAV on a regular schedule. Although the policy permits repurchases of between 5% and 25% of the Fund's outstanding Shares, for each annual repurchase offer, the Fund expects to offer to repurchase only 5% of the Fund's outstanding Shares at NAV subject to approval of the Board. The Fund expects the first repurchase offer to be issued in November 2021. The schedule requires the Fund to make repurchase offers every year thereafter.

Repurchase Process

The Fund makes annual repurchase offers in the month of November each year. Upon the commencement of a repurchase offer (which the Fund expects to commence approximately mid-month), the Fund will send written notice to each shareholder setting forth, among other things:

- The percentage of outstanding Shares that the Fund is offering to repurchase and how the Fund will purchase Shares on a pro rata basis if the offer is oversubscribed,
- The Repurchase Request Deadline and the Repurchase Pricing Date (see below),
- The date by which the Fund will pay to shareholders the proceeds from their Shares accepted for repurchase,
- The NAV of the Shares as of a date no more than seven days before the date of the written notice and the means by which shareholders may ascertain the NAV,
- The procedures by which shareholders may tender their Shares and the right of shareholders to withdraw or modify their tenders before the Repurchase Request Deadline, and
- The circumstances in which the Fund may suspend or postpone the repurchase offer.

This notice may be included in a shareholder report or other Fund document.

The repurchase request deadline, which is the date by which shareholders wishing to tender Shares for repurchase must respond to the repurchase offer (the "Repurchase Request Deadline"), will be approximately 21 days after the commencement of the applicable repurchase offer. **The Repurchase Request Deadline will be strictly observed.** If a shareholder fails to submit a repurchase request in good order by the Repurchase Request Deadline, the shareholder will be unable to liquidate Shares until a subsequent repurchase offer, and will have to resubmit a request in the next repurchase offer. Shareholders may withdraw or change a repurchase request with a proper instruction submitted in good form at any point before the Repurchase Request Deadline.

The Fund anticipates that the repurchase pricing date, the date on which the repurchase price for Shares is determined (the "Repurchase Pricing Date"), will ordinarily be the same day as the Repurchase Request Deadline, but in no event will be (i) prior to the close of business on the day of the Repurchase Request Deadline or (ii) more than 14 days after the Repurchase Request Deadline (or the next business day, if the 14th day is not a business day).

The Fund typically distributes payment to shareholders between one and three business days after the Repurchase Pricing Date and will distribute such payment no later than seven (7) calendar days after such date (the "Repurchase Payment Deadline"). The Fund's NAV per Share may change materially between the date a repurchase offer is mailed and the Repurchase Request Deadline, and it may also change materially between the Repurchase Request Deadline and the Repurchase Pricing Date (if they are different dates) or between the Repurchase Pricing Date and Repurchase Payment Deadline. The method by which the Fund calculates NAV is discussed below under "*Determination of Net Asset Value*." During the period an offer to repurchase is open, shareholders may obtain the current NAV by calling the Fund's Transfer Agent at (855) 609-3680.

The Fund does not currently charge a repurchase fee. However, the Fund may charge a repurchase fee of up to 2%, which the Fund would retain to help offset non-*de minimis* estimated costs related to the repurchase (such as bid to ask spreads) incurred by the Fund, directly or indirectly, as a result of repurchasing Shares, thus allocating estimated transaction costs to the shareholder whose Shares are being repurchased. The Fund may introduce, or modify the amount of, a repurchase fee at any time. The Fund may also waive or reduce the repurchase fee if the Adviser determines that the repurchase is offset by a corresponding purchase or if for other reasons the Fund will not incur transaction costs or will incur reduced transaction costs.

Suspension or Postponement of Repurchase Offers

The Fund may suspend or postpone a repurchase offer in limited circumstances set forth in Rule 23c-3 under the 1940 Act, as described below, but only with the approval of a majority of the Directors, including a majority of Directors who are not "interested persons" of the Fund, as defined in the 1940 Act.

The Fund may suspend or postpone a repurchase offer only: (1) for any period during which the New York Stock Exchange ("NYSE") or any other market in which the securities owned by the Fund are principally traded is closed, other than customary weekend and holiday closings, or during which trading in such market is restricted; (2) for any period during which an emergency exists as a result of which disposal by the Fund of securities owned by it is not reasonably practicable, or during which it is not reasonably practicable for the Fund fairly to determine the value of its net assets; or (3) for such other periods as the Commission may by order permit for the protection of shareholders of the Fund.

Oversubscribed Repurchase Offers

There is no minimum number of Shares that must be tendered before the Fund will honor repurchase requests. However, the Fund's Directors set for each repurchase offer a maximum percentage of Shares that may be repurchased by the Fund. In the event a repurchase offer by the Fund is oversubscribed, the Fund may repurchase, but is not required to repurchase, additional Shares up to a maximum amount of 2% of the outstanding Shares of the Fund. If the Fund determines not to repurchase additional Shares beyond the repurchase offer amount, or if shareholders tender an amount of Shares greater than that which the Fund is entitled to repurchase, the Fund will repurchase the Shares tendered on a pro rata basis. Shares may be subject to mandatory participation in a repurchase offer when a shareholder would otherwise own greater than 9.8% of the Fund's outstanding Shares after giving effect to the repurchase offer, unless such requirement is waived by the Adviser, as described under "Description of the Fund." This may increase the likelihood that a given repurchase offer will be oversubscribed.

Notwithstanding the foregoing, under certain circumstances, the Fund may, in its discretion, accept Shares tendered by shareholders who own fewer than 100 Shares and tender all of their Shares for repurchase in a repurchase offer. In that case, these Shares would be accepted before prorating the Shares tendered by other shareholders. In addition, if a repurchase offer is oversubscribed, the Fund may offer to repurchase additional Shares in an amount determined by the Board that are tendered by the estate of a shareholder who is deceased (an "Estate Offer"). If an Estate Offer is oversubscribed, the Fund will repurchase such Shares on a pro rata basis. As a result, there can be no assurance that the Fund will be able to repurchase all of the Shares tendered in an Estate Offer. If the Fund repurchases any Shares pursuant to an Estate Offer, this will not affect the number of Shares that it repurchases from other shareholders in the annual repurchase offers.

If any Shares that you wish to tender to the Fund are not repurchased because of proration, you will have to wait until the next repurchase offer and resubmit a new repurchase request, and your repurchase request will not be given any priority over other shareholders' requests. Thus, there is a risk that the Fund may not purchase all of the Shares you wish to have repurchased in a given repurchase offer or in any subsequent repurchase offer. In anticipation of the possibility of proration, some shareholders may tender more Shares than they wish to have repurchased in a particular quarter, increasing the likelihood of proration.

There is no assurance that you will be able to tender your Shares when or in the amount that you desire.

Consequences of Repurchase Offers

From the time the Fund distributes or publishes each repurchase offer notification until the Repurchase Pricing Date for that offer, the Fund must maintain liquid assets at least equal to the percentage of its Shares subject to the repurchase offer. For this purpose, "liquid assets" means assets that may be sold or otherwise disposed of in the ordinary course of business, at approximately the price at which the Fund values them, within the period between the Repurchase Request Deadline and the Repurchase Payment Deadline, or which mature by the Repurchase Payment Deadline. The Fund is also permitted to borrow up to the maximum extent permitted under the 1940 Act to fund Share repurchases.

If the Fund borrows money to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their Shares by increasing the Fund's expenses and reducing any net investment income. There is no assurance that the Fund will be able sell a significant amount of additional Shares so as to mitigate these effects.

These and other possible risks associated with the Fund's repurchase offers are described under "Investment Objective, Policies and Risks — Risk Considerations — Repurchase Offers Risk" above. In addition, the repurchase of Shares by the Fund will be a taxable event to shareholders, potentially even to those shareholders that do not participate in the repurchase. For a discussion of these tax consequences, see "Certain Federal Income Tax Considerations" below.

Mandatory Repurchase Offers

Subject to the provisions of the 1940 Act, the Fund may repurchase at its option (and without the consent of the shareholder) any Shares at net asset value, if the Fund determines that:

- the Shares have been transferred in violation of the Fund's Charter or the Fund's bylaws;
- ownership of the Shares by a shareholder or other person is likely to cause the Fund to be in violation of, or require registration of the Shares under, or subject the Fund to additional registration or regulation under, the securities, commodities or other laws of the U.S. or any other relevant jurisdiction;
- such repurchase is necessary to preserve the Fund's status as a REIT;
- continued ownership of the Shares by a shareholder may be harmful or injurious to the business or reputation of the Fund, the Board, the Adviser, or any of their affiliates, or may subject the Fund to an undue risk of adverse tax or other fiscal or regulatory consequences;

- the representations and warranties made by a shareholder or other person in connection with the acquisition of Shares, if any, were not true when made or has ceased to be true; or
- with respect to a stockholder subject to special laws or compliance requirements, such as those imposed by the Employee Retirement Income Security Act of 1974, as amended, the Bank Holding Company Act of 1956, as amended, or certain Federal Communication Commission regulations (collectively, "Special Laws or Regulations"), the Fund is likely to be subject to additional regulatory or compliance requirements under these Special Laws or Regulations by virtue of such shareholder continuing to hold any Shares;

provided that the Fund may not repurchase Shares pursuant to the above if such repurchase could cause the Fund to fail to qualify as a REIT, unless the Board of Directors has revoked or terminated the Fund's REIT election.

TERM AND WIND-DOWN PROCESS

The Fund expects to have a term of approximately eight years after it commences investment operations and before it starts the wind-down process, which term may be extended by the Board without shareholder approval. At the end of such term, the Fund expects the Adviser to recommend a plan of liquidation that, if approved by the Board, will be carried out without shareholder approval. The plan of liquidation is expected to take up to twenty-four months to complete, and the Fund may deviate from its investment strategies during this time. In the event the Fund's plan of liquidation takes longer than twenty-four months to complete, the Board may exercise its discretionary authority to extend the term of the Fund.

The Board may, to the extent it deems appropriate and without shareholder approval, adopt a plan of liquidation at, or at any time preceding, the end of the anticipated eight year term of the Fund, which plan of liquidation may set forth the terms and conditions for the winding down of the Fund's investment operations and the making of one or more liquidating distributions to shareholders. The Fund retains broad flexibility to liquidate its portfolio, wind up its business and make liquidating distributions to shareholders in a manner and on a schedule it believes will best contribute to the achievement of its investment objective.

As soon as practicable after the end of the term of the Fund, the Fund will complete the liquidation of its portfolio (to the extent not already liquidated), retire or redeem its leverage facilities (to the extent not already retired or redeemed) and distribute all of its liquidated net assets to its shareholders (to the extent not already distributed). It may take the Fund a substantial amount of time to complete the liquidation, but the Fund generally intends to complete the wind-down process within two years after it implements a plan of liquidation.

The Fund's corporate existence is expected to continue after the end of its term. The Fund's Charter provides that the Fund's corporate existence shall expire on the date that is ten years from the date of commencement of the Fund's investment operations. This timing will permit the Fund to end its investment operations and return capital to shareholders on the timeline described above before the Fund terminates pursuant to Maryland law. The Fund's Charter permits the Board, by a majority vote, to extend the corporate existence of the Fund for two successive one-year periods.

DISTRIBUTION AND SERVICING ARRANGEMENTS

ALPS Distributors, Inc., located at 1290 Broadway, Suite 1100, Denver, Colorado 80203 (the "Distributor"), is the principal underwriter and distributor of Shares of the Fund. The Distributor acts as the distributor of Shares for the Fund on a best efforts basis, subject to various conditions, pursuant to the terms of its contract with the Fund. The Distributor is not obligated to sell any specific amount of Shares of the Fund, or to buy any of the Shares.

Shares of the Fund are continuously offered through the Distributor, as the exclusive distributor. The Distributor also acts as agent for the Fund in connection with repurchases of Shares. The Fund has agreed to indemnify the Distributor and its affiliates against certain liabilities, including certain liabilities arising under the Securities Act of 1933, as amended ("1933 Act"), and the 1940 Act. The Distributor has agreed to indemnify the Fund, the Adviser and each Director against certain liabilities arising from the Distributor's willful misfeasance, bad faith, negligence or reckless disregard in the performance of its duties, obligations or responsibilities under the distribution agreement.

No market currently exists for the Fund's Shares. The Fund's Shares are not listed for trading on any national securities exchange. There is currently no secondary market for the Fund's Shares. Neither the Adviser nor the Distributor intends to make a market in the Fund's Shares, although the Fund may consider listing its Shares in the future.

Financial intermediaries may provide varying investment products, programs, platforms and accounts through which investors may purchase and sell Shares. The Fund pays fees to compensate such financial intermediaries in connection with (i) personal and account maintenance services rendered to Fund shareholders, including but not limited to electronic processing of client orders, electronic fund transfers between clients and the Fund, account reconciliations with the Fund's Transfer Agent, facilitation of electronic delivery to clients of Fund documentation, monitoring client accounts for back-up withholding and any other special tax reporting obligations, maintenance of books and records with respect to the foregoing, and such other information and liaison services as the Fund or the Adviser may reasonably request (fees for such services, "servicing fees") and/or (ii) activities or expenses primarily intended to result in the sale of Shares (fees for such services, if any, "distribution fees"). The Fund does not believe that any portion of fees currently paid to financial intermediaries are distribution fees.

Servicing fees and distribution fees may be paid pursuant to a Distribution and Servicing Plan adopted by the Fund at the maximum annual rate of 0.05% and servicing fees may be paid pursuant to a Services Agreement between the Fund and the Adviser, under which the Fund has appointed the Adviser as "servicing agent" to compensate financial intermediaries, at an annual rate of 0.05%, in each case calculated as a percentage of the Fund's average daily net assets. These fees are paid out of the Fund's assets on an ongoing basis and may be administered or facilitated by the Distributor. Some intermediaries may receive payments pursuant to both the Distribution and Servicing Plan and the Services Agreement. The Adviser performs certain services and incurs certain expenses through its employees who are registered representatives of a broker-dealer with respect to the promotion of the Fund's Shares and the Adviser also performs certain services in connection with the servicing of shareholders. If amounts remain from the servicing fees and/or distribution fees after the intermediaries have been paid, such amounts may be used to compensate the Adviser for the services it provides and for the expenses it bears. The Distributor does not retain any portion of any servicing fees or distribution fees. To the extent that there are expenses associated with shareholder services that exceed the amounts payable pursuant to the Services Agreement or the Distribution and Servicing Plan, the Fund will bear such expenses.

DETERMINATION OF NET ASSET VALUE

The NAV per Share of the Fund's Shares is determined by dividing the total value of the Fund's portfolio investments, cash and other assets, less any liabilities (including accrued expenses or dividends), by the total number of Shares outstanding. The Fund's Shares are valued as of a particular time (the "Valuation Time") on each day that the New York Stock Exchange ("NYSE") opens for business.[1] The Valuation Time is ordinarily at the close of regular trading on the NYSE (normally 4:00 p.m. Eastern Time). In unusual circumstances, the Valuation Time may be at a time other than 4:00 p.m. Eastern Time, for example, in the event of an earlier, unscheduled close or halt of trading on the NYSE. Current net asset values per Share of the Fund may be obtained by contacting the Transfer Agent by telephone at (855) 609-3680.

In accordance with the regulations governing registered investment companies, the Fund's transactions in portfolio securities and purchases and sales of Fund Shares (which bear upon the number of Fund Shares outstanding) are generally not reflected in the NAV determined for the business day on which the transactions are effected (the trade date), but rather on the following business day.

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[1] The NYSE is open from Monday through Friday, 9:30 a.m. to 4:00 p.m., Eastern Time. NYSE, NYSE Arca, NYSE Bonds and NYSE Arca Options markets will generally close on, and in observation of the following holidays: New Year's Day, Martin Luther King, Jr. Day, Washington's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

The Board has approved procedures pursuant to which the Fund values its investments (the "Valuation Procedures"). The Board has established an Adviser Valuation Committee made up of employees of the Adviser to which the Board has delegated responsibility for overseeing the implementation of the Valuation Procedures and fair value determinations made on behalf of the Board.

Listed below is a summary of certain of the methods generally used currently to value investments of the Fund under the Valuation Procedures:

> The Fund's holdings in equity and debt investments in properties through private investment vehicles are fair valued based on valuations of the Fund's interests in such vehicle provided by the managers of such vehicle or their agents. Valuations will be provided to the Fund on a monthly or quarterly basis based on the interim unaudited financial statements of such vehicles, and, therefore, will be estimates subject to adjustment (upward or downward) upon the completion of the audit of such financial statements and may fluctuate as a result. The Fund will perform an independent review of such valuations and will consider all relevant information, including the reliability of the pricing information provided by the managers of the private investment vehicles. The Fund may conclude, in certain circumstances, that the valuation provided by the manager of a vehicle is not indicative of what actual fair value would be in an active, liquid or established market. In those circumstances, the Fund may value its interests in the vehicle at a discount or a premium to the valuation it receives from the vehicle. Additionally, between the monthly or quarterly dates on which such vehicle provides a net asset value, the valuation of the Fund's interest in such vehicle may be adjusted more frequently based on the estimated total return that such vehicle will generate during such period and other general market or vehicle-specific changes the Adviser is aware of. At the end of the month or quarter, as applicable, each private investment vehicle's net asset value is adjusted based on the actual income and appreciation or depreciation realized by such vehicle when the monthly or quarterly valuations and income are reported.
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> The Fund's direct holdings (including through a Subsidiary) in properties are fair valued based on prices provided by third-party valuation agents, including third parties that are affiliated with or engaged by the real estate operators from which the Fund acquires such assets. The Fund accounts for properties at the individual property level and such assets are fair valued using inputs that take into account property-level data that is updated periodically to reflect new information (e.g. rental payment history) regarding the property or the appreciation interest.
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> The Fund's direct holdings (including through a Subsidiary) in mortgage loans, mezzanine loans, certain other types of real estate debt investments and certain types of securitizations are fair valued based on prices provided by a third-party pricing service. The Fund accounts for whole and fractional loans at the individual loan level for valuation purposes, and whole loans and fractional loans are fair valued using inputs that take into account borrower-level data (*e.g.*, payment history) that is updated periodically to reflect new information regarding the borrower or loan.
>
> Short-term debt instruments, such as commercial paper, bankers' acceptances and U.S. Treasury Bills, having a maturity of 60 days or less, are generally valued at amortized cost.
>
> Other debt securities, including government debt securities and municipal debt securities in each case having a remaining maturity in excess of 60 days, and asset-backed securities are valued by an independent pricing service at an evaluated (or estimated) mean between the closing bid and asked prices.
>
> For investments in open-end management companies that are registered under the 1940 Act, the value of the shares of such funds is calculated based upon the net asset value per share of such funds. The prospectuses for such funds explain the circumstances under which they will use fair value pricing and its effects. Investment funds that are not publicly offered are typically measured using net asset value.
>
> Publicly traded equity securities are valued at the last sale, official close or if there are no reported sales at the mean between the bid and asked price on the primary exchange on which they are traded.

Exchange-traded derivatives, such as options and futures contracts, are valued at the settlement price on the exchange or mean of the bid and asked prices.

Non-exchange traded derivatives, including OTC options, are generally valued on the basis of valuations provided by a pricing service or using quotes provided by a broker/dealer (typically the counterparty).

If market quotations are not readily available or available market quotations or other information are deemed to be unreliable by the Adviser Valuation Committee, and if the valuation of the applicable instrument is not covered by the valuation methods described above or if the valuation methods are described above, but such methods are deemed unreliable by the Adviser Valuation Committee, then such instruments will be valued as determined in good faith by the Adviser Valuation Committee. In these circumstances, the Fund determines fair value in a manner that seeks to reflect the market value of the asset on the valuation date based on consideration by the Adviser Valuation Committee of any information or factors it deems appropriate. For purposes of determining the fair value of assets, the Adviser Valuation Committee may generally consider, without limitation: (i) indications or quotes from brokers or other third-party sources (ii) valuations provided by a third-party pricing agent, (iii) internal models that take into consideration different factors determined to be relevant by the Adviser or (iv) any combination of the above.

Fair value pricing may require subjective determinations about the value of a portfolio instrument. Fair values may differ from quoted or published prices, or from prices that are used by others, for the same investments. Also, the use of fair value pricing may not always result in adjustments to the prices of securities or other assets or liabilities held by the Fund. It is possible that the fair value determined for a security may be materially different than the value that could be realized upon the sale of such security. Thus, fair valuation may have an unintended dilutive or accretive effect on the value of shareholders' investments in the Fund.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

This section discusses certain U.S. federal income tax considerations relating to the ownership of Shares in the Fund by a U.S. shareholder as defined below. This discussion is addressed solely to U.S. shareholders that hold their Shares as capital assets for U.S. federal income tax purposes. This discussion does not address all aspects of taxation that may apply to shareholders or to shareholders subject to special treatment, including, without limitation, insurance companies, financial institutions, broker dealers, partnerships or other pass-through entities for U.S. federal income tax purposes, tax-exempt organizations and persons who are not "U.S. persons" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code").

A U.S. shareholder is a beneficial owner of Shares that is (i) a citizen or resident of the United States; (ii) a corporation (or an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any State thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if it (a) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds Shares, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding Shares, you should consult your advisors.

The discussion below is based upon the provisions of the Code and regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those discussed below. This discussion is for general information purposes only and does not constitute tax advice. No assurance can be given that the IRS would not successfully assert a position contrary to any of the matters discussed below. No ruling on the tax considerations relevant to the Company or to the purchase, ownership or disposition of Shares has been or will be requested from any taxing authority. In addition, this summary does not address U.S. state or local taxation, non-U.S. taxation, estate or gift taxation, or other estate planning aspects of an investment in Shares.

Prospective investors are urged to consult their own tax advisors regarding an investment in the Shares of the Fund in light of their own particular circumstances.

Taxation as a REIT

The Fund intends to elect to be treated, and to operate in a manner so as to qualify, as a real estate investment trust under Subchapter M of Chapter 1 of the Code (a "REIT"), commencing with the Fund's taxable year ending December 31, 2020, so long as our board of directors determines that REIT qualification remains in our best interest. Qualification and taxation as a REIT depend on the Fund's ability to meet, on a continuing basis, through actual operating results, the various qualification requirements imposed upon REITs. However, the sections of the Code and the corresponding regulations that govern the U.S. federal income tax treatment of a REIT and its stockholders are highly technical and complex. The IRS may challenge the Fund's status as a REIT or its satisfaction of the REIT requirements. No assurance can be given that the Fund's actual results of operations for any particular taxable year will satisfy such requirements. The following discussion is qualified in its entirety by the applicable Code provisions, rules and regulations promulgated thereunder, and administrative interpretations thereof.

Provided that the Fund qualifies as a REIT, generally the Fund will be entitled to a deduction for dividends that it pays and therefore will not be subject to U.S. federal corporate income tax on its net taxable income that is currently distributed to its shareholders. This treatment substantially eliminates the "double taxation" at the corporate and shareholder levels that generally results from an investment in a C corporation (i.e., a corporation generally subject to U.S. federal corporate income tax). Double taxation means taxation once at the corporate level when income is earned and once again at the shareholder level when the income is distributed. In general, the income that the Fund generates, to the extent declared as a dividend and subsequently paid to its shareholders, is taxed only at the shareholder level.

If the Fund qualifies as a REIT, the Fund will nonetheless be subject to U.S. federal tax in the following circumstances:

- The Fund will pay U.S. federal income tax on its taxable income, including net capital gain, that it does not distribute to shareholders during, or within a specified time after, the calendar year in which the income is earned.

- If the Fund has net income from "prohibited transactions," which are, in general, sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a 100% tax.

- If the Fund elects to treat property that it acquires in connection with a foreclosure of a mortgage loan or from certain leasehold terminations as "foreclosure property," the Fund may thereby avoid (a) the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction) and (b) the inclusion of any income from such property not qualifying for purposes of the REIT gross income tests discussed below, but the income from the sale or operation of the property may be subject to U.S. corporate income tax at the highest applicable rate.

- If due to reasonable cause and not willful neglect the Fund fails to satisfy either the 75% gross income test or the 95% gross income test discussed below, but nonetheless maintains its qualification as a REIT because other requirements are met, the Fund will be subject to a 100% tax on the greater of the amount by which it fails the 75% gross income test or the 95% gross income test, multiplied in either case by a fraction intended to reflect its profitability.

- If (i) the Fund fails to satisfy the asset tests (other than a de minimis failure of the 5% asset test or the 10% vote or value test, as described below under "— Asset Tests") due to reasonable cause and not to willful neglect, (ii) the Fund disposes of the assets or otherwise complies with such asset tests within six months after the last day of the quarter in which the Fund identifies such failure and (iii) the Fund files a schedule with the IRS describing the assets that caused such failure, the Fund will pay a tax equal to the greater of $50,000 or the net income from the nonqualifying assets during the period in which the Fund failed to satisfy such asset tests multiplied by the highest corporate tax rate.

- If the Fund fails to satisfy one or more requirements for REIT qualification, other than the gross income tests and the asset tests, and the failure was due to reasonable cause and not to willful neglect, the Fund will be required to pay a penalty of $50,000 for each such failure.

- The Fund may be required to pay monetary penalties to the IRS in certain circumstances, including if the Fund fails to meet recordkeeping requirements intended to monitor its compliance with rules relating to the composition of a REIT's shareholders, as described below in "—Requirements for Qualification as a REIT."

- If the Fund fails to distribute during each calendar year at least the sum of: (i) 85% of its ordinary income for such calendar year; (ii) 95% of its capital gain net income for such calendar year; and (iii) any undistributed taxable income from prior years, then the Fund will pay a 4% nondeductible excise tax on the excess of the required distribution over the amount the Fund actually distributed, plus any retained amounts on which income tax has been paid at the entity level.

- The Fund may elect to retain and pay income tax on its net long-term capital gain. In that case, shareholder would include its proportionate share of the Fund's undistributed long-term capital gain (to the extent the Fund makes a timely designation of such gain to the shareholder) in its income, and would receive a credit or a refund for its proportionate share of the tax the Fund paid.

- The Fund will be subject to a 100% excise tax on amounts received by it from a taxable REIT subsidiary ("TRS") of the Fund (or on certain expenses deducted by a TRS) if certain arrangements between the Fund and the TRS are not at arms' length.

- If the Fund acquires any assets from a non-REIT C corporation in a carry-over basis transaction, the Fund could be liable for specified tax liabilities inherited from that non-REIT C corporation with respect to that corporation's "built-in gain" in its assets. Built-in gain is the amount by which an asset's fair market value exceeds its adjusted tax basis at the time the Fund acquires the asset. Applicable Treasury regulations, however, allow the Fund to avoid the recognition of gain and the imposition of entity-level tax with respect to a built-in gain asset acquired in a carry-over basis transaction from a non-REIT C corporation unless and until the Fund disposes of that built-in gain asset during the 5-year period following its acquisition, at which time the Fund would recognize, and would be subject to tax at the highest regular corporate rate on, the built-in gain.

- If the Fund holds REMIC residual interest or interests in a taxable mortgage pool and retains its REIT qualification, such interests may generate "excess inclusion income." A REIT's excess inclusion income must be allocated among its shareholders in proportion to dividends paid. To the extent that excess inclusion income is allocable to certain types of tax-exempt investors that are not subject to tax on unrelated business taxable income, the Fund would be taxed on such excess inclusion income at the highest corporate income tax rate. A shareholder's share of excess inclusion income cannot be offset by any net operating losses otherwise available to the shareholder.

- In addition, notwithstanding the Fund's status as a REIT, it may also have to pay certain state and local income taxes, because not all states and localities treat REITs in the same manner that they are treated for U.S. federal income tax purposes. Moreover, as further described below, any domestic TRS in which the Fund owns an interest will be subject to U.S. federal corporate income tax on its net income.

Taxation of REITs in General

As indicated above, the Fund's qualification and taxation as a REIT depends upon its ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. The material qualification requirements are summarized below under "— Requirements for Qualification as a REIT." While the Fund intends to operate so as to qualify as a REIT, no assurance can be given that the IRS will not challenge the Fund's qualification, or that the Fund will be able to operate in accordance with the REIT requirements in the future. See "— Failure to Qualify."

Requirements for Qualification as a REIT. The Code defines a REIT as a corporation, trust or association

(1) that is managed by one or more trustees or directors;

(2) the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;

(3) that would be taxable as a domestic corporation, but for its election to be subject to tax as a REIT;

(4) that is neither a financial institution nor an insurance company subject to certain provisions of the Code;

(5) the beneficial ownership of which is held by 100 or more persons;

(6) of which not more than 50% in value of the outstanding shares are owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) after applying certain attribution rules;

(7) that makes an election to be a REIT for the current taxable year or has made such an election for a previous taxable year, which has not been terminated or revoked; and

(8) that meets other tests described below regarding the nature of its income and assets.

Conditions (1) through (4), inclusive, must be met during the entire taxable year. Condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months other than the first taxable year for which an election to become a REIT is made. Condition (6) must be met during the last half of each taxable year, but neither conditions (5) nor (6) apply to the first taxable year for which an election to become a REIT is made.

The Fund intends to maintain sufficient diversity of ownership to allow it to satisfy conditions (5) and (6) above. To assist the Fund in satisfying the share ownership requirement in (6) above, the Fund's Charter prohibits beneficial or constructive ownership by any person or group of more than 9.8%, in value or number of Shares, whichever is more restrictive, of the outstanding Shares, or 9.8% in value or number of Shares, whichever is more restrictive, of the Fund's outstanding capital stock of all classes or series (the "Ownership Limit"). Any attempt to own or transfer Shares in excess of the Ownership Limit without the consent of the Board will result either in the Shares in excess of the limit being transferred by operation of the Fund's Charter to a charitable trust, and the person who attempted to acquire such excess Shares not having any rights in such excess Shares, or in the transfer being void. In addition, the Fund's Charter provides that the Fund may repurchase at its option (and without the consent of the affected shareholder) any Shares at NAV if the Fund determines that one or more of several conditions are satisfied, one of which is that such repurchase is necessary to preserve the Fund's status as a REIT. However, these provisions do not ensure that the Fund will satisfy the diversity requirement regarding the Fund's share ownership or other requirements necessary for qualification as a REIT. If the Fund fails to satisfy such requirements, and is unable to obtain statutory relief for such failure, the Fund will fail to qualify as a REIT.

To monitor compliance with the share ownership requirements, the Fund generally is required to maintain records regarding the actual ownership of Shares. To do so, it must demand written statements each year from the record holders of significant percentages of Shares pursuant to which the record holders must disclose the actual owners of the Shares (i.e., the persons required to include the Fund's dividends in their gross income). The Fund must maintain a list of those persons failing or refusing to comply with this demand as part of its records. The Fund could be subject to monetary penalties if it fails to comply with these record-keeping requirements. If you fail or refuse to comply with the demands, you will be required by Treasury regulations to submit a statement with your tax return disclosing your actual ownership of Shares and other information. In addition, the Fund must satisfy all relevant filing and other administrative requirements established by the IRS to elect and maintain REIT status, use a calendar year for U.S. federal income tax purposes, and comply with the record keeping requirements of the Code and regulations promulgated thereunder.

Ownership of Partnership Interests. In the case of a REIT that is a partner in an entity that is treated as a partnership for U.S. federal income tax purposes, Treasury regulations provide that the REIT is deemed to own its proportionate share of the partnership's assets and to earn its proportionate share of the partnership's gross income based on its pro rata share of capital interests in the partnership for purposes of the asset and gross income tests applicable to REITs, as described below. However, solely for purposes of the 10% value test described below (see "— Asset Tests"), the determination of a REIT's interest in a partnership's assets will be based on the REIT's proportionate interest in any securities issued by the partnership, excluding for these purposes, certain excluded securities as described in the Code. In addition, the assets and gross income of the partnership generally are deemed to retain the same character in the hands of the REIT. Thus, the Fund's proportionate share of the assets and items of income of partnerships in which it owns an equity interest is treated as assets and items of income of the Fund for purposes of applying the REIT requirements described below. Consequently, to the extent that the Fund directly or indirectly holds a preferred or other equity interest in a partnership, the partnership's assets and operations may affect the Fund's ability to qualify as a REIT, even though the Fund may have no control or only limited influence over the partnership.

Disregarded Subsidiaries. Generally, a qualified REIT subsidiary is a corporation or other entity electing to be treated as a corporation for U.S. federal income tax purposes, other than a TRS, all of the stock of which is owned by a REIT. The separate existence of a qualified REIT subsidiary is disregarded for U.S. federal income tax purposes. Other entities that are wholly-owned by the Fund, such as single member limited liability companies that have not elected to be taxed as corporations for U.S. federal income tax purposes, are also generally disregarded as separate entities for U.S. federal income tax purposes, including for purposes of the REIT income and asset tests. All assets, liabilities and items of income, deduction and credit of qualified REIT subsidiaries and disregarded subsidiaries will be treated as assets, liabilities and items of income, deduction and credit of the REIT itself. A qualified REIT subsidiary of the Fund is not subject to U.S. federal corporate income taxation, although it may be subject to state and local taxation in some states.

In the event that a qualified REIT subsidiary or a disregarded subsidiary ceases to be wholly owned by the Fund (for example, if any equity interest in the subsidiary is acquired by a person other than the Fund or another disregarded subsidiary of the Fund), the subsidiary's separate existence would no longer be disregarded for U.S. federal income tax purposes. Instead, it would have multiple owners and would be treated as either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect the Fund's ability to satisfy the various asset and gross income tests applicable to REITs, including the requirement that REITs generally may not own, directly or indirectly, more than 10% of the value or voting power of the outstanding securities of another corporation. See "— Asset Tests" and "— Income Tests."

Taxable REIT Subsidiaries. A taxable REIT subsidiary ("TRS") is an entity that is taxable as a corporation in which the Fund directly or indirectly owns stock and that elects with the Fund to be treated as a TRS. The separate existence of a TRS is not ignored for U.S. federal income tax purposes. Accordingly, a domestic TRS generally is subject to U.S. federal corporate income tax on its earnings, which may reduce the cash flow that the Fund generates in the aggregate, and may reduce the Fund's ability to make distributions to shareholders. In addition, if a TRS owns, directly or indirectly, securities representing 35% or more of the vote or value of a subsidiary corporation, that subsidiary will also be treated as a TRS. However, an entity will not qualify as a TRS if it directly or indirectly operates or manages a lodging or health care facility or, generally, provides to another person, under a franchise, license or otherwise, rights to any brand name under which any lodging facility or health care facility is operated. The Fund generally may not own more than 10%, as measured by voting power or value, of the securities of a corporation that is not a qualified REIT subsidiary unless the Fund and such corporation elect to treat such corporation as a TRS. Overall, no more than 20% of the value of a REIT's assets may consist of stock or securities of one or more TRSes.

A REIT is not treated as owning the assets or earning directly the income earned by its TRSes for purposes of the applicable REIT qualification tests. Rather, the stock issued by a TRS to the Fund is an asset of the Fund, and the Fund treats dividends paid to it from such TRS, if any, as income. The stock of and income from any TRS of the Fund will be subject to the Fund's income and asset tests calculations, as described below. As a result, income that might not be qualifying income for purposes of the income tests applicable to REITs could be earned by a TRS without affecting the Fund's status as a REIT. For example, the Fund may use TRSes to perform services or conduct activities that give rise to certain categories of income such as management fees, or to conduct activities that, if conducted by the Fund directly, would be treated as prohibited transactions.

Generally, the Fund would be obligated to pay a 100% excise tax on certain payments that the Fund receives from, or on the amount of certain expenses deducted by, a TRS that are not at arms' length.

Deductions of a REIT will be limited for business interest expense to the sum of a taxpayer's business interest income and 30% of the adjusted taxable income of the business, which is its taxable income computed without regard to business interest income or expense, net operating losses or the pass-through income deduction (and for taxable years before 2022, excludes depreciation and amortization). Such limitations may also impact the amount of U.S. federal income tax payable by any of the Fund's TRSes.

Taxable Mortgage Pools and Excess Inclusion Income. An entity, or a portion of an entity, that does not elect to be treated as a real estate mortgage investment conduit (a "REMIC") may be classified as a taxable mortgage pool (a "TMP") under the Code if:

- substantially all of its assets consist of debt obligations or interests in debt obligations;
- more than 50% of those debt obligations are real estate mortgages or interests in real estate mortgages as of specified testing dates;
- the entity has issued debt obligations (liabilities) that have two or more maturities; and
- the payments required to be made by the entity on its debt obligations "bear a relationship" to the payments to be received by the entity on the debt obligations that it holds as assets.

Under U.S. Treasury regulations, if less than 80% of the assets of an entity (or a portion of an entity) consists of debt obligations, these debt obligations are considered not to comprise "substantially all" of its assets, and therefore the entity would not be treated as a TMP.

A TMP generally is treated as a taxable corporation and it cannot file a consolidated U.S. federal income tax return with any other corporation. If, however, a REIT owns 100% of the equity interests in a TMP, then the TMP is a qualified REIT subsidiary and, as such, ignored as an entity separate from the REIT, but a portion of the REIT's income will be treated as excess inclusion income and a portion of the dividends the REIT pays to U.S. holders will be considered to be excess inclusion income.

Section 860E(c) of the Code defines the term "excess inclusion" with respect to a residual interest in a REMIC. The IRS has yet to issue guidance on the computation of excess inclusion income on equity interests in a TMP held by a REIT. Generally, however, excess inclusion income with respect to the Fund's investment in any TMP and any taxable year will equal the excess of (i) the amount of income the Fund accrues on its investment in the TMP over (ii) the amount of income the Fund would have accrued if its investment were a debt instrument having an issue price equal to the fair market value of its investment on the day the Fund acquired it and a yield to maturity equal to 120% of the long-term applicable federal rate in effect on the date the Fund acquired its interest. The term "applicable federal rate" refers to rates that are based on weighted average yields for U.S. Treasury securities and are published monthly by the IRS for use in various tax calculations. If the Fund undertakes securitization transactions that are TMPs, the amount of excess inclusion income the Fund recognizes in any taxable year could represent a significant portion of its total taxable income for that year.

Although the Fund intends to structure its securitization and financing transactions so that it will not recognize any excess inclusion income, the Fund cannot assure shareholders that it will always be successful in this regard. If, notwithstanding its intent, the Fund recognized excess inclusion income, then under guidance issued by the IRS the Fund would be required to allocate the excess inclusion income proportionately among the dividends it pays to its stockholders and it must notify its shareholders of the portion of its dividends that represents excess inclusion income. A shareholder's taxable income can never be less than the sum of such shareholder's excess inclusion income for the year; excess inclusion income cannot be offset with net operating losses or other allowable deductions.

If the Fund recognizes excess inclusion income, and one or more disqualified organizations are record holders of Shares of capital stock, the Fund will be taxable at the highest federal corporate income tax rate on the portion of any excess inclusion income equal to the percentage of Shares that is held by disqualified organizations. In such circumstances, the Fund may reduce the amount of its distributions to a disqualified organization whose stock ownership gave rise to the tax. To the extent that its capital stock owned by disqualified organizations is held by a broker/dealer or other nominee, the broker/dealer or other nominee would be liable for a tax at the highest corporate tax rate on the portion of its excess inclusion income allocable to its capital stock held by the broker/dealer or other nominee on behalf of the disqualified organizations.

Taxpayers with net operating losses should carefully consider the tax consequences described above and are urged to consult their tax advisors in connection with their decision to invest in the Fund.

Income Tests

To qualify as a REIT, the Fund must satisfy two gross income requirements, each of which is applied on an annual basis. First, at least 75% of the Fund's gross income, excluding gross income from prohibited transactions and certain hedging and foreign currency transactions, for each taxable year generally must be derived directly or indirectly from:

- rents from real property;
- interest on debt secured by mortgages on real property or on interest in real property;
- dividends or other distributions on, and gain from the sale of, stock in other REITs;
- gain from the sale of real property or mortgage loans;
- abatements and refunds of taxes on real property;
- income and gain derived from foreclosure property (as described below);
- amounts (other than amounts the determination of which depends in whole or in part on the income or profits of any person) received or accrued as consideration for entering into agreements (i) to make loans secured by mortgages on real property or on interests in real property or (ii) to purchase or lease real property (including interests in real property and interests in mortgages on real property); and
- interest or dividend income from investments in stock or debt instruments attributable to the temporary investment of new capital during the one-year period following the Fund's receipt of new capital that it raises through equity offerings or public offerings of debt obligations with at least a five-year term.

Second, at least 95% of the Fund's gross income, excluding gross income from prohibited transactions and certain hedging transactions, for each taxable year must be derived from sources that qualify for purposes of the 75% test, and from (i) dividends, (ii) interest and (iii) gain from the sale or disposition of stock or securities.

If the Fund fails to satisfy one or both of the 75% and 95% gross income tests for any taxable year, the Fund may nevertheless qualify as a REIT for that year if it is entitled to relief under the Code. These relief provisions generally will be available if the Fund's failure to meet the tests is due to reasonable cause and not due to willful neglect, and the Fund attaches a schedule of the sources of its income to its U.S. federal income tax return. It is not possible, however, to state whether in all circumstances the Fund would be entitled to the benefit of these relief provisions. If these relief provisions are inapplicable to a particular set of circumstances, the Fund will fail to qualify as a REIT. Even if these relief provisions apply, a penalty tax would be imposed based on the amount of nonqualifying income. See "— Taxation of REITs in General."

Gross income from the Fund's sale of property that it holds primarily for sale to customers in the ordinary course of business is excluded from both the numerator and the denominator in both gross income tests. In addition, certain foreign currency gains will be excluded from gross income for purposes of one or both of the gross income tests. The following paragraphs discuss some of the specific applications of the gross income tests to us.

Interest. The term "interest," as defined for purposes of both gross income tests, generally excludes any amount that is based in whole or in part on the income or profits of any person; however, it generally includes the following: (i) an amount that is received or accrued based on a fixed percentage or percentages of receipts or sales, and (ii) an amount that is based on the income or profits of a debtor, as long as the debtor derives substantially all of its income from the real property securing the debt by leasing substantially all of its interest in the property, and only to the extent that the amounts received by the debtor would be qualifying "rents from real property" if received directly by a REIT.

Interest on debt secured by mortgages on real property or on interests in real property generally is qualifying income for purposes of the 75% gross income test. However, if the highest principal amount of a loan outstanding during a taxable year exceeds the fair market value of the real property securing the loan as of the date the Fund agreed to originate or acquire the loan, a portion of the interest income from such loan will not be qualifying income for purposes of the 75% gross income test but will be qualifying income for purposes of the 95% gross income test. The portion of the interest income that will not be qualifying income for purposes of the 75% gross income test will be equal to the portion of the principal amount of the loan that is not secured by real property — that is, the amount by which the loan exceeds the value of the real estate that is security for the loan.

MBS in which the Fund invests may be treated as interests in a grantor trust or as interests in a REMIC for U.S. federal income tax purposes, in which case interest income from such MBS would be qualifying income for the 95% gross income test. In the case of MBS treated as interests in grantor trusts, the Fund would be treated as owning an undivided beneficial ownership interest in the mortgage loans held by the grantor trust. The interest on such mortgage loans would be qualifying income for purposes of the 75% gross income test to the extent that the obligation is secured by real property. In the case of MBS treated as interests in a REMIC, income derived from REMIC interests will generally be treated as qualifying income for purposes of the 75% and 95% gross income tests. If less than 95% of the assets of the REMIC are real estate assets, however, then only a proportionate part of the Fund's interest in the REMIC and income derived from the interest will qualify for purposes of the 75% gross income test. In addition, some REMIC securitizations include imbedded interest swap or cap contracts or other derivative instruments that potentially could produce nonqualifying income for the holder of the related REMIC securities.

Mezzanine Loans. IRS Revenue Procedure 2003-65 provides a safe harbor pursuant to which a mezzanine loan, if it meets each of the requirements contained therein, will be treated by the IRS as a real estate asset for purposes of the REIT asset tests and interest derived from it will be treated as qualifying mortgage interest for purposes of the 75% income test. Although Revenue Procedure 2003-65 provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. Mezzanine loans in which the Fund invests may not always meet each of the requirements for reliance on this safe harbor; however, the Fund will seek to invest in mezzanine loans in a manner that it believes will enable it to satisfy the REIT gross income and asset tests.

Hedging Transactions. The Fund may enter into hedging transactions with respect to one or more of the Fund's assets or liabilities. Hedging transactions could take a variety of forms, including interest rate swap agreements, interest rate cap agreements, options, futures contracts, forward rate agreements or similar financial instruments. Except to the extent provided by Treasury regulations, any income from a hedging transaction the Fund enters into (i) in the normal course of its business primarily to manage risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets, which is clearly identified as a hedge along with the risk that it hedges within prescribed time periods specified in Treasury regulations, (ii) primarily to manage risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% income tests which is clearly identified as a hedge along with the risk that it hedges within prescribed time periods, or (iii) in connection with the effective termination of certain hedging transactions described above will be excluded from gross income for purposes of both the 75% or 95% gross income tests. To the extent that the Fund enters into other types of hedging transactions, the income from those transactions is likely to be treated as nonqualifying income for purposes of both of the 75% and 95% gross income tests. Moreover, to the extent that a position in a hedging transaction has positive value at any particular point in time, it may be treated as an asset that does not qualify for purposes of the asset tests described below. The Fund intends to structure any hedging transactions in a manner that does not jeopardize its qualification as a REIT. No assurance can be given, however, that the Fund's hedging activities will not give rise to income or assets that do not qualify for purposes of the REIT tests, or that the Fund's hedging will not adversely affect its ability to satisfy the REIT qualification requirements.

The Fund may conduct some or all of its hedging activities through a TRS or other entity that is treated as a corporation for U.S. federal income tax purposes, the income of which may be subject to U.S. federal income tax, rather than by participating in the arrangements directly or through pass-through subsidiaries.

Rents from Real Property. Rents the Fund receives will qualify as "rents from real property" in satisfying the gross income requirements for a REIT described above only if several conditions described below are met. These conditions relate to the identity of the tenant, the computation of the rent payable, and the nature of the property leased and any services provided in connection with the property. First, the amount of rent must not be based in whole or in part on the income or profits of any person. However, an amount received or accrued generally will not be excluded from rents from real property solely by reason of being based on a fixed percentage or percentages of receipts or sales. Second, rents the Fund receives from a "related party tenant" will not qualify as rents from real property in satisfying the gross income tests unless certain limited exceptions apply. A tenant is a related party tenant if the REIT, or an actual or constructive owner of 10% or more of the REIT, actually or constructively owns 10% or more of the tenant. Third, if rent attributable to personal property leased in connection with a lease of real property is greater than 15% of the total rent received under the lease, then the portion of rent attributable to the personal property will not qualify as rents from real property. Finally, for rents to qualify as "rents from real property" for purposes of the gross income tests, the Fund is only allowed to provide services that are both usually or "customarily rendered" in connection with the rental of real property and not otherwise considered "rendered to the occupant" of the property. The Fund may, however, render services to its tenants through an "independent contractor" who is adequately compensated and from whom the Fund does not derive revenue if certain requirements are satisfied. The Fund may also own an interest in a TRS that provides non-customary services to tenants without tainting the Fund's rental income from the related properties.

Even if a REIT furnishes or renders services that are non-customary with respect to a property, if the greater of (i) the amounts received or accrued, directly or indirectly, or deemed received by the REIT with respect to such services, or (ii) 150% of the Fund's direct cost in furnishing or rendering the services during a taxable year is not more than 1% of all amounts received or accrued, directly or indirectly, by the REIT with respect to the property during the same taxable year, then only the amounts with respect to such non-customary services are not treated as rent for purposes of the REIT gross income tests.

The Fund intends to operate so as not to fail the applicable REIT income tests. However, no assurance can be given that the IRS will concur with the Fund's determination as to whether a particular service is usual or customary, or otherwise in this regard.

Dividends. The Fund may directly or indirectly receive distributions from TRSes or other corporations that are not REITs or qualified REIT subsidiaries. These distributions generally are treated as dividend income to the extent of earnings and profits of the distributing corporation. The Fund's dividend income from stock in any corporation (other than any REIT), including any TRS, will be qualifying income for purposes of the 95% gross income test, but not the 75% gross income test. Dividends that the Fund receives from any REITs in which the Fund owns stock and the Fund's gain on the sale of the stock in those REITs will be qualifying income for purposes of both gross income tests. However, if a REIT in which the Fund owns stock fails to qualify as a REIT in any year, the Fund's income from such REIT would be qualifying income for purposes of the 95% gross income test, but not the 75% gross income test.

Fee Income. Any fee income that the Fund earns will generally not be qualifying income for purposes of either gross income test. Any fees earned by a TRS will not be included for purposes of the gross income tests.

Prohibited Transactions Tax. A REIT will incur a 100% tax on the gain derived from any sale or other disposition of property, other than foreclosure property, that the REIT holds primarily for sale to customers in the ordinary course of a trade or business or "dealer property." Whether a REIT holds an asset primarily for sale to customers in the ordinary course of a trade or business depends on the facts and circumstances in effect from time to time, including those related to a particular asset. The Fund generally does not intend to invest in dealer property. Although the Code provides a safe harbor exception to prohibited transaction treatment, no assurance can be given that the Fund can or will comply with such safe harbor or that it will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of the Fund's trade or business.

Foreclosure Property. Foreclosure property is any real property, including interests in real property, and any personal property incident to such real property:

- that is acquired by a REIT as the result of the REIT having bid in such property at foreclosure, or having otherwise reduced such property to ownership or possession by agreement or process of law, after there was a default or default was imminent on a lease of such property or on indebtedness that such property secured;
- for which the related loan was acquired by the REIT at a time when the default was not imminent or anticipated; and
- for which the REIT makes a proper election to treat the property as foreclosure property.

However, a REIT will not be considered to have foreclosed on a property where the REIT takes control of the property as a mortgagee-in-possession and cannot receive any profit or sustain any loss except as a creditor of the mortgagor.

The Fund will be subject to tax at the maximum corporate rate on any income from foreclosure property, including gain from the disposition of the foreclosure property, other than income that otherwise would be qualifying income for purposes of the 75% gross income test, less expenses directly connected with the production of that income. However, net income from foreclosure property, including gain from the sale of foreclosure property held for sale in the ordinary course of a trade or business, will qualify for purposes of the 75% and 95% gross income tests. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property.

Phantom Income. Due to the nature of the assets in which the Fund will invest, it may be required to recognize taxable income from certain assets in advance of its receipt of cash flow from or proceeds from disposition of such assets, and may be required to report taxable income that exceeds the economic income ultimately realized on such assets.

The Fund may acquire debt instruments in the secondary market for less than their face amount. The amount of such discount generally will be treated as "market discount" for U.S. federal income tax purposes. Accrued market discount is reported as income when, and to the extent that, any payment of principal of the debt instrument is made, unless the Fund elects to include accrued market discount in income as it accrues. Principal payments on certain debt instruments may be made monthly, and consequently accrued market discount may have to be included in income each month as if the debt instrument were assured of ultimately being collected in full. If the Fund collects less on the debt instrument than its purchase price plus the market discount it had previously reported as income, the Fund may not be able to benefit from any offsetting loss deductions.

The terms of the debt instruments that the Fund holds may be modified under certain circumstances. These modifications may be considered "significant modifications" for U.S. federal income tax purposes that give rise to a deemed debt-for-debt exchange upon which the Fund may recognize taxable income or gain without a corresponding receipt of cash.

Some of the debt securities that the Fund acquires may have been issued with original issue discount. In general, the Fund will be required to accrue non-de minimis original issue discount based on the constant yield to maturity of such debt securities, and to treat it as taxable income in accordance with applicable U.S. federal income tax rules even though such yield may exceed cash payments, if any, received on such debt instrument.

In addition, in the event that any debt instruments or debt securities acquired by the Fund are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular debt instrument are not made when due, the Fund may nonetheless be required to continue to recognize the unpaid interest as taxable income.

The Fund may be required under the terms of indebtedness that it incurs to use cash received from interest payments to make principal payments on that indebtedness, with the effect of recognizing income but not having a corresponding amount of cash available for distribution to shareholders.

The Fund may be required to include in income certain amounts no later than the time such amounts are reflected on certain financial statements. The application of this rule may require the accrual of income with respect to our debt instruments earlier than would be the case under general tax rules.

As a result of each of these potential timing differences between income recognition or expense deduction and cash receipts or disbursements, there is a risk that the Fund may have taxable income in excess of cash available for distribution. In that event, the Fund may need to borrow funds or take other action to satisfy the REIT distribution requirements for the taxable year in which this "phantom income" is recognized. See "— Annual Distribution Requirements Applicable to REITs."

Asset Tests

At the close of each quarter of the Fund's taxable year, the Fund must satisfy the following tests relating to the nature of its assets:

- At least 75% of the value of the Fund's total assets must be represented by the following:
  - interests in real property, including leaseholds and options to acquire real property and leaseholds;
  - interests in mortgages on real property;
  - stock in other REITs and debt instruments issued by publicly offered REITs;
  - cash and cash items (including certain receivables);

- investments in stock or debt instruments attributable to the temporary investment of new capital during the one-year period following the Fund's receipt of new capital that it raises through equity offerings or public offerings of debt obligations with at least a five-year term; and

- regular or residual interests in a REMIC. However, if less than 95% of the assets of a REMIC consists of assets that are qualifying real estate-related assets under U.S. federal income tax laws, determined as if the Fund held such assets directly, the Fund will be treated as holding directly its proportionate share of the assets of such REMIC.

- Not more than 25% of the Fund's total assets may be represented by securities, other than those in the 75% asset class described above.

- Except for securities in TRSes and the securities in the 75% asset class described in the first bullet point above, the value of any one issuer's securities owned by us may not exceed 5% of the value of the Fund's total assets.

- Except for securities in TRSes and the securities in the 75% asset class described in the first bullet point above, the Fund may not own more than 10% of any one issuer's outstanding voting securities.

- Except for securities of TRSes and the securities in the 75% asset class described in the first bullet point above, the Fund may not own more than 10% of the total value of the outstanding securities of any one issuer, other than securities that qualify for the "straight debt" exception or other exceptions discussed below.

- Not more than 20% of the value of the Fund's total assets may be represented by the securities of one or more TRSes.

- Not more than 25% of the value of the Fund's total assets may be represented by nonqualified publicly offered REIT debt instruments.

Notwithstanding the general rule, as noted above, that for purposes of the REIT income and asset tests the Fund is treated as owning the Fund's proportionate share of the underlying assets of a subsidiary partnership, if it holds indebtedness issued by a partnership, the indebtedness will be subject to, and may cause a violation of, the asset tests unless the indebtedness is a qualifying mortgage asset or other conditions are met. Similarly, although stock of another REIT is a qualifying asset for purposes of the REIT asset tests, any non-mortgage debt that is issued by another REIT may not so qualify (although such debt will not be treated as "securities" for purposes of the 10% value test, as explained below).

Securities, for purposes of the asset tests, may include debt the Fund holds from other issuers. However, debt the Fund holds in an issuer that does not qualify for purposes of the 75% asset test will not be taken into account for purposes of the 10% value test if the debt securities meet the straight debt safe harbor. Subject to certain exceptions, debt will meet the "straight debt" safe harbor if the debt is a written unconditional promise to pay on demand or on a specified date a sum certain in money, the debt is not convertible, directly or indirectly, into stock, and the interest rate and the interest payment dates of the debt are not contingent on the profits of any person, the borrower's discretion or similar factors. In the case of an issuer that is a corporation or a partnership, securities that otherwise would be considered straight debt will not be so considered if the Fund, and any of its "controlled taxable REIT subsidiaries" as defined in the Code, hold any securities of the corporate or partnership issuer that (a) are not straight debt or other excluded securities (prior to the application of this rule), and (b) have an aggregate value greater than 1% of the issuer's outstanding securities (including, in the case of a partnership issuer, the Fund's interest as a partner in the partnership).

In addition to straight debt, the Code provides that certain other securities will not violate the 10% asset test. Such securities include (i) any loan made to an individual or an estate, (ii) certain rental agreements pursuant to which one or more payments are to be made in subsequent years (other than agreements between a REIT and certain persons related to the REIT under attribution rules), (iii) any obligation to pay rents from real property, (iv) securities issued by governmental entities that are not dependent in whole or in part on the profits of (or payments made by) a non-governmental entity, (v) any security (including debt securities) issued by another REIT and (vi) any debt instrument issued by a partnership if the partnership's income is of such a nature that the partnership would satisfy the 75% gross income test described above under "— Income Tests." In applying the 10% asset test, a debt security issued by a partnership (other than straight debt or any other excluded security) is not taken into account to the extent, if any, of the REIT's proportionate interest as a partner in that partnership.

Any stock that the Fund holds or acquires in other REITs will be a qualifying asset for purposes of the 75% asset test. However, if a REIT in which the Fund owns stock fails to qualify as a REIT in any year, the stock in such REIT will not be a qualifying asset for purposes of the 75% asset test. Instead, the Fund would be subject to the second, third, fourth, and fifth asset tests described above with respect to its investment in such a disqualified REIT. The Fund will also be subject to those assets tests with respect to its investments in any non-REIT C corporations for which it does not make a TRS election.

The Fund will monitor the status of the Fund's assets for purposes of the various asset tests and will seek to manage its portfolio to comply with such tests. There can be no assurances, however, that the Fund will be successful in this effort. Independent appraisals may not have been obtained to support the Fund's conclusions as to the value of its total assets or the value of any particular security or securities. Moreover, the values of some assets may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset requirements. Accordingly, there can be no assurance that the IRS will not contend that the Fund's interests in its Subsidiaries or in the securities of other issuers will not cause a violation of the REIT asset tests.

However, certain relief provisions are available to allow REITs to satisfy the asset requirements or to maintain REIT qualification notwithstanding certain violations of the asset and other requirements. For example, if the Fund failed to satisfy the asset tests at the end of a calendar quarter, such a failure would not cause the Fund to lose its REIT qualification if (i) it satisfied the asset tests at the close of the preceding calendar quarter and (ii) the discrepancy between the value of its assets and the asset requirements was not wholly or partly caused by an acquisition of nonqualifying assets, but instead arose from changes in the relative market values of its assets. If the condition described in (ii) were not satisfied, the Fund could nevertheless avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose or by making use of the relief provisions described above.

In the case of de minimis violations of the 10% and 5% asset tests, a REIT may maintain its qualification despite a violation of such requirements if (i) the value of the assets causing the violation does not exceed the lesser of 1% of the REIT's total assets and $10,000,000 and (ii) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or the relevant tests are otherwise satisfied within that time frame.

Even if the Fund did not qualify for the foregoing relief provisions, one additional provision allows a REIT which fails one or more of the asset requirements for a particular tax quarter to nevertheless maintain its REIT qualification if (i) the REIT provides the IRS with a description of each asset causing the failure, (ii) the failure is due to reasonable cause and not willful neglect, (iii) the REIT pays a tax equal to the greater of (a) $50,000 per failure and (b) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate and (iv) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or otherwise satisfies the relevant asset tests within that time frame.

Annual Distribution Requirements Applicable to REITs

To qualify for taxation as a REIT, the Fund generally must distribute dividends (other than capital gain dividends) to shareholders in an amount at least equal to:

- the sum of (i) 90% of the Fund's REIT taxable income, computed without regard to the dividends paid deduction and the Fund's net capital gain and (ii) 90% of the Fund's net income after tax, if any, from foreclosure property; minus
- the excess of the sum of specified items of non-cash income (including original issue discount on the Fund's mortgage loans) over 5% of the Fund's REIT taxable income, computed without regard to the dividends paid deduction and the Fund's net capital gain.

Distributions generally must be made during the taxable year to which they relate. Distributions may be made in the following year in two circumstances. First, if the Fund declares a dividend in October, November or December of any year with a record date in one of these months and pays the dividend on or before January 31 of the following year, the Fund and each shareholder will be treated as having paid and received, respectively, the dividend on December 31 of the year in which the dividend was declared. Second, distributions may be made in the following year if the dividends are declared before the Fund timely files its tax return for the year and if made before the first regular dividend payment made after such declaration. These distributions are taxable to shareholders in the year in which paid, even though the distributions relate to the Fund's prior taxable year for purposes of the 90% distribution requirement. In addition, the Fund is subject to certain restrictions imposed by the 1940 Act, including that the Fund may only designate one distribution per taxable year as a capital gains distribution. The impact of such 1940 Act limitation and the REIT distribution requirements are not entirely clear. To the extent that the Fund does not distribute all of its net capital gain or it distributes at least 90%, but less than 100% of its REIT taxable income, as adjusted, the Fund will be subject to tax on the undistributed amount at regular corporate tax rates.

To the extent that in the future the Fund may have available net operating losses carried forward from prior tax years, such losses may reduce the amount of distributions that the Fund must make in order to comply with the REIT distribution requirements. Such losses, however, will generally not affect the tax treatment to shareholders of any distributions that are actually made.

If the Fund fails to distribute during a calendar year (or, in the case of distributions with declaration and record dates falling in the last three months of the calendar year, by the end of January following such calendar year) at least the sum of (i) 85% of its ordinary income for such year, (ii) 95% of its capital gain net income for such year and (iii) any undistributed taxable income from prior years, the Fund will be subject to a 4% excise tax on the excess of such required distribution over the sum of (x) the amounts actually distributed (taking into account excess distributions from prior years) and (y) the amounts of income retained on which the Fund has paid corporate income tax.

Although several types of non-cash income are excluded in determining the annual distribution requirement, the Fund will incur corporate income tax and the 4% nondeductible excise tax with respect to those non-cash income items if the Fund does not distribute those items on a current basis. As a result of the foregoing, the Fund may not have sufficient cash to distribute all of its taxable income and thereby avoid corporate income tax and the excise tax imposed on certain undistributed income. In such a situation, the Fund may need to borrow funds or issue additional stock.

The Fund may elect to retain rather than distribute all or a portion of its net capital gains and pay the tax on the gains. In that case, the Fund may elect to have shareholders include their proportionate share of the undistributed net capital gains in income as long-term capital gains and receive a credit for their share of the tax paid by the Fund. The shareholders would then increase the adjusted basis of their stock by the difference between (i) the amounts of capital gain dividends that the Fund designated and that they include in their taxable income, minus (ii) the tax that the Fund paid on their behalf with respect to that income. For purposes of the 4% excise tax described above, any retained amounts for which the Fund elects this treatment would be treated as having been distributed.

The Fund intends to make timely distributions sufficient to satisfy the distribution requirements. However, it is possible that, from time to time, the Fund may not have sufficient cash or other liquid assets to meet the distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of items of income and deduction of expenses by the Fund for U.S. federal income tax purposes. In addition, the Fund may decide to retain its cash, rather than distribute it, in order to repay debt, acquire assets or for other reasons. In the event that such timing differences occur, and in other circumstances, it may be necessary in order to satisfy the distribution requirements to arrange for short-term, or possibly long-term, borrowings, or to pay the dividends in the form of other property (including, for example, shares of Shares).

If the Fund's taxable income for a particular year is subsequently determined to have been understated, under some circumstances the Fund may be able to rectify a failure to meet the distribution requirement for a year by paying deficiency dividends to shareholders in a later year, which may be included in the Fund's deduction for dividends paid for the earlier year. Thus, the Fund may be able to avoid being taxed on amounts distributed as deficiency dividends. However, the Fund will be required to pay interest based upon the amount of any deduction taken for deficiency dividends.

Penalty Tax

Any redetermined rents, redetermined deductions, excess interest or redetermined TRS service income the Fund generates will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of the Fund's tenants by a TRS, and redetermined deductions and excess interest represent any amounts that are deducted by a TRS for amounts paid to the Fund that are in excess of the amounts that would have been deducted based on arm's length negotiations. Rents that the Fund receives will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code. Redetermined TRS service income is income earned by a TRS that is attributable to services provided to the Fund, or on the Fund's behalf to any of its tenants, that is less than the amounts that would have been charged based upon arms' length negotiations.

Failure to Qualify

If the Fund fails to satisfy one or more requirements of REIT qualification, other than the income tests or asset requirements, then the Fund may still retain REIT qualification if the failure is due to reasonable cause and not willful neglect, and the Fund pays a penalty of $50,000 for each failure.

If the Fund fails to qualify for taxation as a REIT in any taxable year and the relief provisions do not apply, the Fund will be subject to tax on its taxable income as a corporation. This would significantly reduce both cash available for distribution to shareholders and earnings. If the Fund fails to qualify as a REIT, the Fund will not be required to make any distributions to shareholders and any distributions that are made will not be deductible by the Fund. Moreover, all distributions to shareholders would be taxable as dividends to the extent of the Fund's current and accumulated earnings and profits, whether or not attributable to capital gains of the Fund. Furthermore, subject to certain limitations in the Code, corporate distributees may be eligible for the dividends received deduction with respect to those distributions, and individual, trust and estate distributees may be eligible for reduced U.S. federal income tax rates on such dividends. Unless the Fund is entitled to relief under specific statutory provisions, the Fund also will be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost.

Tax Aspects of any Subsidiary Partnerships

General. The Fund may hold certain investments indirectly through subsidiary partnerships and limited liability companies that are treated as partnerships or disregarded entities for U.S. federal income tax purposes. In general, entities that are treated as partnerships or disregarded entities for U.S. federal income tax purposes are "pass-through" entities which are not required to pay U.S. federal income tax. Rather, partners or members of such entities are allocated their shares of the items of income, gain, loss, deduction and credit of the partnership or limited liability company, and are potentially required to pay tax on this income, without regard to whether they receive a distribution from the partnership or limited liability company. A partner in such entities that is a REIT will include in its income its share of these partnership and limited liability company items for purposes of the various gross income tests, the computation of its REIT taxable income, and the REIT distribution requirements. Pursuant to these rules, for purposes of the asset tests, the Fund will include its pro rata share of assets held by its subsidiary partnerships and limited liability companies, based on its capital interest in each such entity.

Significant changes to the rules for U.S. federal income tax audits of partnerships, such as any subsidiary partnerships or limited liability companies treated as partnerships for U.S. federal income tax purposes are effective for taxable years beginning on or after January 1, 2018. Such audits will continue to be conducted at the entity level unless such entity qualifies for and affirmatively elects an alternative procedure, and any adjustments to the amount of tax due (including interest and penalties) will be payable by the entity itself. Under an alternative procedure, if elected, a partnership would issue information returns to persons who were partners in the audited year, who would then be required to take such adjustments into account in calculating their own tax liability, and the partnership would not be liable for the adjustments. If any subsidiary partnership or limited liability company is able to and in fact elects the alternative procedure for a given adjustment, the amount of taxes for which such persons will be liable will be increased by any applicable penalties and a special interest charge. There can be no assurance that any such entities will make such an election for any given adjustment. Many issues and the overall effect of these rules on the Fund are uncertain.

Taxation of U.S. Shareholders

Distributions Generally. The Fund intends to declare and make distributions at least annually, although the Fund may declare and pay distributions more frequently (*e.g.*, quarterly). Unless shareholders specify otherwise, distributions will be reinvested in Shares of the Fund during the Subscription Period. After the expiration of the Subscription Period, shareholders will receive distributions in cash but may be given the opportunity to elect to automatically invest such distributions in a Subsequent Fund if such a Subsequent Fund is available for investment at that time.

For federal income tax purposes, distributions made out of current or accumulated earnings and profits of the Fund (and not designated as capital gain dividends) are generally taxable to shareholders as ordinary income. In general, ordinary dividends will not be eligible for the dividends-received deduction for corporate shareholders.

Ordinary dividends generally will not qualify as "qualified dividend income" currently taxed as net capital gain for U.S. shareholders that are individuals, trusts, or estates. Distributions of investment income properly reported by the Fund as derived from "qualified dividend income," if any, will be taxed in the hands of individuals, trusts, or estates at the rates applicable to long-term capital gains, provided that certain holding period and other requirements are met at both the shareholder and Fund level.

For taxable years beginning after December 31, 2017 and before January 1, 2026, individuals, trusts and estates may deduct up to 20% of certain pass-through income, including ordinary REIT dividends that are not Capital Gain Dividends or "qualified dividend income," subject to certain limitations.

If, in and with respect to any taxable year, the Fund makes a distribution to a shareholder in excess of the Fund's current and accumulated earnings and profits, the excess distribution will be treated as a return of capital to the extent of such shareholder's tax basis in its Shares, and thereafter as capital gain. To the extent that distributions exceed the adjusted basis of a shareholder's Shares, the U.S. holder generally must include such distributions in income as long-term capital gain if the Shares have been held for more than one year, or short-term capital gain if the Shares have been held for one year or less. A return of capital is not taxable, but it reduces a shareholder's tax basis in its Shares, thus reducing any loss or increasing any gain on a subsequent taxable disposition by the shareholder of its Shares.

Distributions will generally be taxable, if at all, in the year of the distribution. However, a dividend will be treated as paid on December 31 of the current calendar year if it is declared by the Fund in October, November or December with a record date in such a month and paid by the Fund during January of the following calendar year. Early in each year, the Fund will send you a statement showing detailed federal tax information with respect to your distributions for the prior tax year.

Distributions are taxable to you even if they are paid from income or gains earned by the Fund prior to your investment (and thus were included in the price you paid for your Shares). For example, if you purchase Shares on or just before the record date of a Fund distribution, you will pay full price for the Shares and could receive a portion of your investment back as a taxable distribution. In general, you will be taxed on the distributions you receive from the Fund, whether you receive them as additional Shares (or, after the Subscription Period, shares of a Subsequent Fund) pursuant to the dividend reinvestment plan or in cash.

Capital Gain Dividends. Distributions of net capital gains (the excess of the Fund's net long-term capital gains over its net short-term capital losses) that are properly reported by the Fund as capital gain dividends ("Capital Gain Dividends") will be taxable as long-term capital gains, includable in net capital gain and taxed to individuals at reduced rates. This tax treatment applies regardless of the period during which the shareholders have held their Shares. The REIT qualification provisions of the Code do not require the Fund to distribute its long-term capital gain, and it may elect to retain and pay income tax on its net long-term capital gains received during the taxable year. If the Fund so elects for a taxable year, shareholders would include in income as long-term capital gains their proportionate share of retained net long-term capital gains for the taxable year. A shareholder would be deemed to have paid its share of the tax paid by the Fund on such undistributed capital gains, which would be credited or refunded to the shareholder. The shareholder's basis in its Shares would be increased by the amount of undistributed long-term capital gains (less the capital gains tax paid by the Fund) included in the shareholder's long-term capital gains. A shareholder that is a corporation will appropriately adjust its earnings and profits for the retained capital gain in accordance with Treasury regulations to be prescribed by the IRS. The Fund's earnings and profits will be adjusted appropriately.

With respect to distributions that the Fund designates as Capital Gain Dividends and any retained capital gain that the Fund is deemed to distribute, the Fund generally may designate whether such a distribution is taxable to non-corporate shareholders at the general net capital gain rate or at the rate applicable to unrecaptured section 1250 gain (as defined in the Code). If the Fund designates any portion of a dividend as a capital gain dividend, the amount that will be taxable to the shareholder as capital gain will be indicated to U.S. shareholders on IRS Form 1099-DIV. Corporate shareholders, however, may be required to treat up to 20% of capital gain dividends as ordinary income. Capital gain dividends are not eligible for the dividends-received deduction for corporations.

Section 19(b) of the 1940 Act and Rule 19b-1 thereunder generally limit the Fund to one long-term capital gain distribution per year, subject to certain exceptions.

Sales and Repurchases of Shares. Any gain or loss resulting from the sale or exchange of your Shares generally will be treated as a capital gain or loss for federal income tax purposes, which will be long-term or short-term depending on how long you have held your Shares. In general, any loss upon a sale or exchange of Shares by a shareholder who has held such stock for six months or less (after applying certain holding period rules) will be treated as a long-term capital loss, but only to the extent of distributions from the Fund received by such shareholder that are required to be treated by such shareholder as long-term capital gains.

Shareholders who tender all of the Shares they hold or are deemed to hold in response to a repurchase offer generally will be treated as having sold their Shares and generally will recognize a capital gain or loss. If a shareholder tenders fewer than all of its Shares, it is possible that any amounts that the shareholder receives in such repurchase will be taxable as a dividend to such shareholder, and there is a risk that shareholders who do not tender any of their Shares for repurchase will be treated as having received a dividend distribution as a result of their proportionate increase in the ownership of the Fund.

A repurchase will generally be treated as a sale or exchange if it (i) results in a complete termination of the shareholder's interest in Shares, (ii) results in a substantially disproportionate redemption with respect to the shareholder, or (iii) is not essentially equivalent to a dividend with respect to the shareholder. In determining whether any of these tests has been met, Shares actually owned, as well as Shares considered to be owned by the holder by reason of certain constructive ownership rules set forth in Section 318 of the Code, generally must be taken into account. The sale of Shares pursuant to a repurchase generally will result in a "substantially disproportionate" redemption with respect to a shareholder if the percentage of the then outstanding Shares owned by the shareholder immediately after the sale is less than 80% of the percentage of Shares owned by the shareholder determined immediately before the sale. The sale of Shares pursuant to a repurchase generally will be treated as not "essentially equivalent to a dividend" with respect to a shareholder if the reduction in the shareholder's proportionate interest in Shares as a result of the Fund's repurchase constitutes a "meaningful reduction" of such shareholder's interest. If a repurchase does not qualify as an exchange under such tests, proceeds received in the repurchase will be treated as a distribution from the Fund that will be taxable as described above under "— Distributions Generally."

The Fund's use of cash to repurchase Shares could adversely affect its ability to satisfy the distribution requirements for treatment as a REIT. The Fund could also recognize income in connection with its liquidation of assets to fund Share repurchases. Any such income would be taken into account in determining whether the distribution requirements are satisfied.

Passive Activity Loss and Investment Interest Limitation. Distributions that the Fund makes and gains arising from the disposition of Shares by a U.S. holder will not be treated as passive activity income, and therefore U.S. holders will not be able to apply any "passive activity losses" against such income. Dividends paid by the Fund, to the extent they do not constitute a return of capital, will generally be treated as investment income for purposes of the investment income limitation on the deduction of the investment interest.

Other Tax Considerations. To the extent that the Fund has available net operating losses and capital losses carried forward from prior tax years, such losses may reduce the amount of distributions that the Fund must make to comply with the REIT distribution requirements. Such losses, however, are not passed through to shareholders and do not offset income of shareholders from other sources, nor would such losses affect the character of any distributions that the Fund makes, which are generally subject to tax in the hands of shareholders to the extent that the Fund has current or accumulated earnings and profits.

Medicare Tax. An additional Medicare contribution tax is imposed on the "net investment income" of certain individuals, estates and trusts to the extent their income exceeds certain threshold amounts. "Net investment income" generally includes dividends, interest, and net gains from the disposition of investment property (including the Fund's ordinary income dividends, Capital Gain Dividends, and capital gains recognized on the sale, repurchase, or exchange of Fund Shares). Shareholders should consult their own tax advisers regarding the effect, if any, that this provision may have on their investment in Shares.

Backup Withholding. The Fund generally is required to withhold and remit to the U.S. Treasury a percentage of the taxable distributions and proceeds from a repurchase paid to any individual shareholder (i) who fails to properly furnish the Fund with a correct taxpayer identification number, (ii) who has under-reported dividend or interest income or (iii) who fails to certify to the Fund that he or she is not subject to such withholding.

Backup withholding is not an additional tax. Any amounts withheld may be credited against the shareholder's U.S. federal income tax liability, provided the appropriate information is furnished to the IRS.

FATCA. Sections 1471-1474 of the Code and the U.S. Treasury Regulations and IRS guidance issued thereunder (collectively, "FATCA") generally require the Fund to obtain information sufficient to identify the status of each of its shareholders under FATCA or under an applicable intergovernmental agreement (an "IGA"). If a shareholder fails to provide this information or otherwise fails to comply with FATCA or an IGA, the Fund or its agent may be required to withhold under FATCA 30% of the distributions, other than distributions properly reported as Capital Gain Dividends, the Fund pays to that shareholder. If a payment by the Fund is subject to FATCA withholding, the Fund or its agent is required to withhold even if such payment would otherwise be exempt from withholding under the rules applicable to foreign shareholders described above. The IRS and the Department of Treasury have issued proposed regulations providing that the gross proceeds of share redemptions or exchanges and Capital Gain Dividends the Fund pays will not be subject to FATCA withholding. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor's own situation, including investments through an intermediary. In addition, foreign countries have implemented or are considering, and may implement, laws similar in purpose and scope to FATCA, as more fully described above.

Tax Shelter Reporting. If a shareholder recognizes a loss with respect to stock of $2 million or more for an individual shareholder or $10 million or more for a corporate shareholder, the shareholder must file a disclosure statement with the IRS on Form 8886. Direct shareholders of portfolio securities are in many cases exempt from this reporting requirement, but shareholders of a REIT currently are not excepted. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Shareholders should consult their tax advisors to determine the applicability of these regulations in light of their individual circumstances.

The discussion above is very general. Please consult your tax adviser about the effect that an investment in the Fund could have on your own tax situation, including possible foreign, federal, state, or local tax consequences, or about any other tax questions you may have.

DIVIDEND REINVESTMENT PLAN

Dividends and capital gains distributions are treated in accordance with the instructions on your account opening form except as otherwise set forth below. Dividends and capital gains distributions either are automatically reinvested in the Fund during the Subscription Period and, after the Subscription Period, and only if you so elect by notifying the Transfer Agent or your financial intermediaries, are paid in cash and then automatically invested in a Subsequent Fund as described below, or are distributed to you in cash. The Adviser intends to launch a series of non-diversified, closed-end management investment companies with investment objectives, policies and strategies substantially similar to those of the Fund (each such fund, a "Subsequent Fund"). The Adviser expects each Subsequent Fund to be a Maryland corporation electing to be taxed as a REIT for U.S. federal income tax purposes and to have an interval fund structure similar to that of the Fund pursuant to which such Subsequent Fund will conduct annual repurchase offers. The Adviser intends to launch the first Subsequent Fund following the expiration of the Subscription Period of the Fund, and such Subsequent Fund is expected to continuously offer its shares during a subscription period of approximately two years and is then expected to close to new investment. The Adviser intends to repeat this process such that at any time following the expiration of the Subscription Period of the Fund or a Subsequent Fund, there will be only one Subsequent Fund open to new investment. The Adviser may decide not to launch any such Subsequent Fund or may modify the subscription period of any such Subsequent Fund in its sole discretion. Subject to the restrictions discussed in this paragraph, the Adviser retains the flexibility to adjust the strategies of a Subsequent Fund based on market conditions and other considerations. Subsequent Funds may not have identical strategies to the Fund or each other, and investors may have investments in the Fund and in one or more Subsequent Funds simultaneously.

Unless otherwise instructed by you to the Transfer Agent or your financial intermediary, during the Subscription Period, dividends and capital gains distributions are automatically reinvested in the Fund. The number of Shares that will be distributed in lieu of cash is determined by dividing the dollar amount of the distribution to be reinvested by the NAV as of the close of business on the day of the distribution. Following the Subscription Period, when a Subsequent Fund is available for investment, distributions are paid in cash, but you may be given the opportunity to elect to automatically invest such distributions in the Subsequent Fund. The number of Shares or shares of a Subsequent Fund issued pursuant to such investment will be determined by dividing the dollar amount of the distribution to be invested by the NAV of the applicable Subsequent Fund as of the close of business on the day of the distribution. However, if any automatic dividend reinvestment in the Fund or a Subsequent Fund would result in a shareholder owning greater than 9.8% of the Fund's outstanding Shares or greater than 9.8% of a Subsequent Fund's outstanding shares, as applicable, such shareholder will receive the relevant dividends and capital gains distribution in cash notwithstanding his or her election, unless such requirement is waived by the Board.

Your taxable income is the same regardless of which option you choose. As long as you hold Shares, you may change your election to participate in the dividend reinvestment plan by notifying the Transfer Agent or your financial intermediary, as applicable. For further information about dividend reinvestment, contact the Transfer Agent by telephone at (855) 609-3680.

DESCRIPTION OF THE FUND

The Fund was formed as a Maryland corporation on May 7, 2019. The Fund's Charter authorizes the issuance of 1,000,000,000 Shares of common stock with par value $0.001 per Share. All Shares have equal rights to the payment of dividends and other distributions and the distribution of assets upon liquidation. Shares are, when issued, fully paid and non-assessable by the Fund and have no pre-emptive or conversion rights or rights to cumulative voting.

Shareholders are entitled to share equally in dividends declared by the Board payable to holders of Shares and in the net assets of the Fund available for distribution to holders of Shares upon liquidation after payment of expenses and the preferential amounts payable to holders of any outstanding preferred shares.

Shareholders have no pre-emptive or conversion rights. Upon liquidation of the Fund, after paying or adequately providing for the payment of all liabilities of the Fund, and subject to the preferential rights of any preferred stock, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Directors may distribute the remaining assets of the Fund among the holders of the Shares.

The Charter authorizes the Board to classify and reclassify any unissued Shares of common stock into shares of other classes or series of stock, including preferred stock, without the approval of common shareholders. Any such classification or reclassification will comply with the provisions of the Charter and the 1940 Act.

As of October 31, 2019, the following amount of Shares of the Fund was authorized for registration and outstanding:

(1)	(2)	(3)	(4)
Title of Class	Amount Authorized	Amount Held by the Fund for its Account	Amount Outstanding Exclusive of Amount Shown Under (3)
Shares of Common Stock	200,000,000	0	10,000

Anti-Takeover and Certain Other Provisions in the Fund's Organizational Documents. The Fund's Charter includes provisions that could have the effect of limiting the ability of other entities or persons to acquire control of the Fund or to change the composition of the Board by discouraging a third party from seeking to obtain control of the Fund. These provisions may have the effect of discouraging attempts to acquire control of the Fund, which attempts could have the effect of increasing the expenses of the Fund and interfering with the normal operation of the Fund. The Directors are elected for indefinite terms and do not stand for reelection annually. The Fund's Charter provides that a Director may be removed only for cause, as defined in the Fund's Charter, and then only by the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of Directors.

Under the Fund's Charter, the below-listed extraordinary actions are subject to the approval of the holders of Shares entitled to cast 80% of the votes entitled to be cast on such matter:

- Charter amendments or any other proposal that would convert the Fund, whether by merger or otherwise, from a closed-end company to an open-end company or make the Fund's common stock a redeemable security (within the meaning of the 1940 Act);

- amendments to the provisions of the Charter relating to the number of Directors, removal of Directors and related matters, extraordinary actions, REIT qualification, Charter amendments and ownership limitations; or

- any merger, consolidation, conversion, statutory share exchange or sale or exchange of all or substantially all of the Fund's assets that the Maryland General Corporation Law requires to be approved by the Fund's shareholders;

However, if such amendment, proposal or transaction is approved by at least a majority of the Fund's "continuing" Directors (as such term is defined in the Charter) (in addition to approval by the Board), the amendment, proposal or transaction may instead be approved by the affirmative vote of the holders of Shares entitled to cast a majority of the votes entitled to be cast on such amendment, proposal or transaction described in this section, except that any amendment, proposal or transaction that would not otherwise require shareholder approval under the Maryland General Corporation Law will not require further shareholder approval unless another provision of the Charter or the Fund's bylaws or the 1940 Act requires such approval.

Transfer Restrictions. For the Fund to qualify as a REIT, no more than 50% in value of the outstanding Shares of the Fund's stock may be owned, directly or indirectly, through the application of certain attribution rules under the Code, by any five or fewer individuals, as defined in the Code to include specified entities, during the last half of any taxable year other than the Fund's first taxable year. In addition, the outstanding Shares of the Fund's stock must be owned by 100 or more persons independent of the Fund and each other during at least 335 days of a 12-month taxable year or during a proportionate part of a shorter taxable year, excluding the Fund's first taxable year for which the Fund elects to be taxed as a REIT. In addition, the Fund must meet requirements regarding the nature of the Fund's gross income to qualify as a REIT. One of these requirements is that at least 75% of the Fund's gross income for each calendar year must consist of rents from real property and income from other real property investments.

The Charter prohibits beneficial or constructive ownership by any person or group of more than 9.8%, in value or number of Shares, whichever is more restrictive, of the outstanding Shares, or 9.8% in value or number of Shares, whichever is more restrictive, of the Fund's outstanding capital stock of all classes or series (the "Ownership Limit"). Any attempt to own or transfer Shares in excess of the Ownership Limit without the consent of the Board will result either in the Shares in excess of the limit being transferred by operation of the Fund's Charter to a charitable trust, and the person who attempted to acquire such excess Shares not having any rights in such excess Shares, or in the transfer being void. In addition, the Fund's Charter provides that the Fund may repurchase at its option (and without the consent of the affected shareholder) any Shares at NAV as described under "—Mandatory Repurchase Offer" below. The Board may prospectively or retroactively exempt a person from the Ownership Limit if such person provides certain representations and undertakings to the Board, and subject to certain additional conditions.

Every owner of 5% or more (or such lower percentage as required by the Code or the regulations promulgated thereunder) of the Fund's outstanding Shares is required, within 30 days after the end of each taxable year, to give the Fund written notice stating his, her or its name and address, the number of Shares of each class and series of the Fund's stock that the shareholder beneficially owns and a description of the manner in which the Shares are held. Each such owner shall provide the Fund with such additional information as the Fund may request in order to determine the effect, if any, of the shareholder's beneficial ownership on the Fund's qualification as a REIT and to ensure compliance with the restrictions noted above. In addition, each shareholder shall upon demand be required to provide the Fund with such information as the Fund may request in order to determine the Fund's qualification as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

Mandatory Repurchase Offers

Subject to the provisions of the 1940 Act, the Fund may repurchase at its option (and without the consent of the shareholder) any Shares at net asset value, if the Fund determines that:

- the Shares have been transferred in violation of the Fund's Charter or the Fund's bylaws;
- ownership of the Shares by a shareholder or other person is likely to cause the Fund to be in violation of, or require registration of the Shares under, or subject the Fund to additional registration or regulation under, the securities, commodities or other laws of the U.S. or any other relevant jurisdiction;
- such repurchase is necessary to preserve the Fund's status as a REIT;
- continued ownership of the Shares by a shareholder may be harmful or injurious to the business or reputation of the Fund, the Board, the Adviser, or any of their affiliates, or may subject the Fund to an undue risk of adverse tax or other fiscal or regulatory consequences;
- the representations and warranties made by a shareholder or other person in connection with the acquisition of Shares, if any, were not true when made or has ceased to be true; or
- with respect to a stockholder subject to special laws or compliance requirements, such as those imposed by the Employee Retirement Income Security Act of 1974, as amended, the Bank Holding Company Act of 1956, as amended, or certain Federal Communication Commission regulations (collectively, "Special Laws or Regulations"), the Fund is likely to be subject to additional regulatory or compliance requirements under these Special Laws or Regulations by virtue of such shareholder continuing to hold any Shares;

  provided that the Fund may not repurchase Shares pursuant to the above if such repurchase could cause the Fund to fail to qualify as a REIT, unless the Board of Directors has revoked or terminated the Fund's REIT election.

REPORTS TO SHAREHOLDERS

The Fund sends to common shareholders unaudited semi-annual and audited annual reports, including a consolidated list of investments held.

ADDITIONAL INFORMATION

The prospectus and the Statement of Additional Information do not contain all of the information set forth in the Registration Statement that the Fund has filed with the Commission. The complete Registration Statement may be obtained from the Commission upon payment of the fee prescribed by its rules and regulations. The Statement of Additional Information can be obtained without charge by calling (855) 609-3680.

Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete, and, in each instance, reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement of which this prospectus forms a part, each such statement being qualified in all respects by such reference.

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STONE RIDGE'S PRIVACY NOTICE[1]

Stone Ridge's Commitment to Its Customers[2]

Stone Ridge recognizes and respects the privacy expectation of each of its customers. Stone Ridge believes that the confidentiality and protection of its customers' non-public personal information is one of its fundamental responsibilities. This means, most importantly, that Stone Ridge does not sell customers' non-public personal information to any third parties. Stone Ridge uses its customers' non-public personal information primarily to complete financial transactions that its customers request or to make its customers aware of other financial products and services offered by a Stone Ridge affiliated company.

Information Stone Ridge Collects About Its Customers

Stone Ridge collects non-public personal information about its customers from the following sources:

- *Account Applications and Other Forms*, which may include a customer's name and address, social security number or tax identification number, total assets, income and accounts at other institutions;
- *Account History*, which may include information about the transactions and balances in accounts with Stone Ridge; and
- *Correspondence*, which may include written, telephonic or electronic communications.

How Stone Ridge Handles Its Customers' Personal Information

As emphasized above, Stone Ridge does not sell non-public personal information about current or former customers to third parties. Below are the details of circumstances in which Stone Ridge may disclose non-public personal information to third parties:

- In order to complete certain transactions or account changes that a customer directs, it may be necessary to provide certain non-public personal information about that customer to companies, individuals or groups that are not affiliated with Stone Ridge. For example, if a customer asks Stone Ridge to transfer assets from another financial institution, Stone Ridge will need to provide certain non-public personal information about that customer to the company to complete the transaction.
- In order to alert a customer to other financial products and services that a Stone Ridge affiliated company offers, Stone Ridge may share non-public personal information it has about that customer with a Stone Ridge affiliated company.
- In certain instances, Stone Ridge may contract with non-affiliated companies to perform services for or on behalf of Stone Ridge. Where necessary, Stone Ridge will disclose non-public personal information it has about its customers to these third parties. In all such cases, Stone Ridge will provide the third party with only the information necessary to carry out its assigned responsibilities and only for that purpose. In addition, Stone Ridge requires these third parties to treat Stone Ridge customers' non-public information with the same high degree of confidentiality that Stone Ridge does.

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[1] Provided by Stone Ridge, Stone Ridge Trust, Stone Ridge Trust II, Stone Ridge Trust III, Stone Ridge Trust IV, Stone Ridge Trust V, Stone Ridge Trust VI and Stone Ridge Residential Real Estate Income Fund I, Inc.

[2] For purposes of this notice, the term "customer" or "customers" includes both individuals who have investments with a Stone Ridge-affiliated company and individuals who have provided non-public personal information to a Stone Ridge affiliated company, but did not invest with a Stone Ridge affiliated company.

- Finally, Stone Ridge will release non-public information about customers if directed by that customer to do so or if Stone Ridge is authorized by law to do so.

How Stone Ridge Safeguards Its Customers' Personal Information

Stone Ridge restricts access to information about customers to its employees and to third parties, as described above. Stone Ridge maintains physical, electronic and procedural safeguards reasonably designed to protect the confidentiality of its customers' non-public personal information.

Keeping Its Customers Informed

As required by federal law, Stone Ridge will notify customers of Stone Ridge's Privacy Policy annually. Stone Ridge reserves the right to modify this policy at any time, but in the event that there is a change, Stone Ridge will promptly inform its customers of that change.

Stone Ridge Residential Real Estate Income Fund I, Inc.

For More Information

To obtain other information and for shareholder inquiries:

By telephone:	(855) 609-3680
By mail:	Stone Ridge Residential Real Estate Income Fund I, Inc. c/o U.S. Bancorp Fund Services, LLC 615 East Michigan Street Milwaukee, Wisconsin 53202
On the Internet:	SEC EDGAR database — www.sec.gov

STONE RIDGE

The Fund's investment company registration number is 811-23451.