RESOURCE

REAL ESTATE DIVERSIFIED INCOME FUND

managed by a C-III Capital Partners company

Structure: Registered 1940 Act interval fund

www.ResourceAlts.com

(866) 773-4120

Credit: A Key Differentiator Offering More

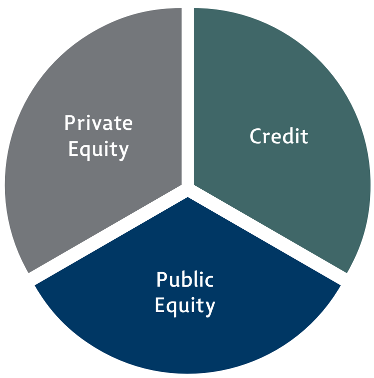
The Resource Real Estate Diversified Income Fund (the "Fund") is a closed-end interval fund with a unique credit allocation that seeks to generate income across interest rate environments.

Why credit is valuable

The Fund's portfolio management team believes that floating-rate credit offers unique diversification benefits. One-third of the portfolio includes public, private, and institutional real estate credit.

Category	Description	Duration
Private Real Estate Credit Funds	Limited partnerships in institutionally sponsored credit funds that primarily invest in floating-rate commercial real estate mortgages	Short term (typically 2–3 years)
Mortgage REITs	Publicly traded REITs that primarily invest in floating-rate commercial real estate mortgages	Short term (typically 2–3 years)
REIT Preferreds	Higher-yielding, fixed-coupon preferred securities issued by publicly traded REITs	Short term (typically 2–3 years)

The Fund's Portfolio



This chart is provided for illustrative purposes only and should not be considered investment advice. Portfolio allocations may not be equal and are subject to change.

Building a late-cycle real estate strategy

Risk management is vital in a rising interest rate and late-cycle commercial real estate environment. Credit investments are higher in the capital structure and help to insulate real estate portfolios from moderate to significant changes in property values.

Hypothetical Example of a Building's Balance Sheet

	Normal Conditions	Rent Decreases $20	Rent Decreases $30
Rental Income	$100	$80	$70
Operating Expense	$45	$45	$45
Operating Cash Flow	$55	$35	$25
Interest Expense on Debt (Loan)	$25	$25	$25
Net Cash Flow	$30	$10	$0

Real estate credit may retain its value as rents and property values decline

This is an illustrative example to represent a building's ability to service its debts. A building will eventually hit a threshold where rent decreases make it unable to service its debts. The loan value will decrease when the underlying equity is worthless due to foreclosure.

To learn more about the Fund and the potential benefits and value of a credit allocation, visit **www.ResourceAlts.com** or call **(866) 773-4120.**

Definitions

An **Interval Fund** is a continuously offered, closed-end fund that periodically offers to repurchase its shares from shareholders. Through the interval structure, the Fund offers a Liquidity Feature of quarterly redemptions at NAV of no less than 5 percent of the shares outstanding made available, redeeming more frequently than other real estate and private equity investments. Regardless of how the Fund performs, there is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly repurchase offer.

Public Equity is a category of public REITs, REOCs and public investment funds that are intended to generate current income and substantial liquidity.

Private Equity is a category of private real estate equity funds that are intended to generate higher absolute returns than are typically available from investing in public equity and it may offer lower correlation to the broader equity markets.

Credit is a category that invests in private real estate credit funds and real estate credit securities (including but not limited to CMBS, the preferred stock issued by REITs, and other convertible or non-convertible secured or unsecured real estate debt securities) to generate current income with low to moderate volatility and low to moderate correlation to the broader equity markets.

REIT Preferred Equity is a class of ownership in a corporation that has a higher claim on the assets and earnings than common stock. Preferred stock generally has a dividend that must be paid out before dividends to common stockholders and the shares usually do not have voting rights. The precise details as to the structure of preferred stock is specific to each corporation.

Duration is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years.

Risk disclosures

There is no guarantee that the Fund will achieve its objectives, generate profits, or avoid losses. Diversification does not ensure profit or prevent losses.

An investor should consider the investment objectives, risks, charges, and expenses of the Fund carefully before investing. To obtain a prospectus containing this and other information, please call (866) 773-4120 or download the file from www.ResourceAlts.com. Read the prospectus carefully before you invest.

The Fund is distributed by ALPS Distributors, Inc. (ALPS Distributors, Inc. 1290 Broadway, Suite 1100, Denver, CO 80203). Resource Real Estate, LLC (the Fund's adviser), its affiliates, and ALPS Distributors, Inc. are not affiliated.

Investing involves risk. Investment return and principal value of an investment will fluctuate, and an investor's shares, when redeemed, may be worth more or less than their original cost. Alternative investment funds, ETFs, interval funds, and closed-end funds are subject to management and other expenses, which will be indirectly paid by the Fund. Preferred securities are subject to credit risk and interest rate risk. Convertible securities are typically issued as bonds or preferred shares with the option to convert to equities. As a result, convertible securities are hybrids that have characteristics of both bonds and common stocks and are subject to risks associated with both debt securities and equity securities. Issuers of debt securities may not make scheduled interest and principal payments, resulting in losses to the Fund. Typically, a rise in interest rates causes a decline in the value of fixed income securities. The use of leverage, such as borrowing money to purchase securities, will cause the Fund to incur additional expenses and magnify the Fund's gains or losses.

There currently is no secondary market for the Fund's shares and the Fund expects that no secondary market will develop. Shares of the Fund will not be listed on any securities exchange, which makes them inherently illiquid. An investment in the Fund's shares is not suitable for investors who cannot tolerate risk of loss or who require liquidity, other than liquidity provided through the Fund's repurchase policy. Limited liquidity is provided to shareholders only through the Fund's quarterly repurchase offers, regardless of how the Fund performs. A portion of the Fund's distribution has been comprised of a return of capital because certain Fund investments have included preferred and common equity investments, which may include a return of capital. Any invested capital that is returned to the shareholder will be reduced by the Fund's fees and expenses, as well as the applicable sales load. Investments in lesser-known, small and medium capitalization companies may be more vulnerable than larger, more established organizations. The Fund will not invest in real estate directly, but because the Fund will concentrate its investments in securities of REITs, its portfolio will be significantly impacted by the performance of the real estate market. There are risks associated with REITs. Risks include declines from deteriorating economic conditions, changes in the value of the underlying property, and defaults by borrowers. The sales of securities to fund repurchases could reduce the market price of those securities, which in turn would reduce the Fund's NAV.

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C-III Capital Partners