

To learn more about the Fund and its management team and process, 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.

Dividend Coverage Ratio is a coverage ratio that measures a company's ability to pay off its required preferred dividend payments.

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.

Fair Value Process – While most securities that are held in our portfolio are publicly traded and have an established daily price, a portion of our portfolio is illiquid and does not trade on a public market. While these securities are priced on a monthly, quarterly, or annual basis by their respective companies, these securities have to be fair valued to establish a daily price in between these periods in order to determine the fund's NAV. The fair value process is an internal methodology to determine the "fair value" of a security, which is the price that the fund might reasonably expect to receive upon a current sale.

Discounted Cash Flow is a valuation method used to estimate the attractiveness of an investment opportunity. DCF analysis uses future free cash flow projections and discounts them to arrive at a present value estimate, which is used to evaluate the potential for investment.

Risk disclosures

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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 RESOURCE

REAL ESTATE DIVERSIFIED
INCOME FUND

managed by a C-III Capital Partners company

Management Matters



 RESOURCE

 C-III Capital Partners

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 RESOURCE

Who is Managing Your Money?

As an investor, you may not always know how your money is being managed or who is managing it. Do you know if your investments are managed in-house or if your funds outsource their portfolio management to sub-advisors?

The Resource difference

The Resource Real Estate Diversified Income Fund (the "Fund") is a closed-end interval fund that is actively managed by an in-house team and does not utilize third-party sub-advisors. As an investor, this means that you can benefit from a consistent, experienced team that is focused on the Fund's objectives and performance.

The Fund's In-house Management

Alignment of Interests	Transparency
<p>Consistent, focused management</p> <ul style="list-style-type: none"> Portfolio management is accountable for performance Fewer layers of fees Conflicts of interest are avoided 	<p>Direct access to financial data</p> <p>Private equity firms do not always provide transparency. The Fund:</p> <ul style="list-style-type: none"> Publishes its complete list of holdings quarterly Has a majority percentage of investments that have clear values priced by the market

The Fund's investment process

Resource implements a rigorous investment selection process for the Fund that includes multiple screens to achieve one, professionally managed portfolio.

Quality screen	Valuation screen	Portfolio									
<ul style="list-style-type: none"> Management – competency and alignment Portfolio – location, quality, lease, and risk analysis Balance Sheet – leverage, liquidity, and dividend coverage 	<ul style="list-style-type: none"> Fundamental Valuation – discounted cash flow, net asset value Income – earnings cash flow Growth – strategies for risk-adjusted value creation 	<ul style="list-style-type: none"> Seeks to Select High-quality Investments Attractively Priced Target Risk-adjusted Distributions* 									
Total Universe	Investable Universe	Portfolio									
<table border="1"> <tr> <td>Private Equity 50</td> <td>Credit 100</td> <td>Public Equity 300</td> </tr> </table>	Private Equity 50	Credit 100	Public Equity 300	<table border="1"> <tr> <td>Private Equity 25</td> <td>Credit 60</td> <td>Public Equity 200</td> </tr> </table>	Private Equity 25	Credit 60	Public Equity 200	<table border="1"> <tr> <td>Private Equity 10–15</td> <td>Credit 25–30</td> <td>Public Equity 25–35</td> </tr> </table>	Private Equity 10–15	Credit 25–30	Public Equity 25–35
Private Equity 50	Credit 100	Public Equity 300									
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* To calculate the annualized distribution, the Fund's management will take the income received from the Fund's portfolio, subtract expenses and divide the result by the total number of shares the Fund's investors own. The annualized distribution represents a single distribution from the Fund and does not represent the total returns of the Fund. A portion of our distribution has been comprised of a return of capital because certain Fund investments have included preferred and common equity investments. Distributions are not guaranteed.

Resource and its affiliates have over a 25-year track record of managing real estate investments for both institutional and retail investors.

Resource portfolio management



Justin Milberg

Portfolio Manager

- 25 years of financial investment experience
- BA, Cornell University
- MBA, The Wharton School of Business, The University of Pennsylvania



Gene Nusinzon

Portfolio Manager

- Over 11 years of real estate investment experience
- BS, Pennsylvania State University
- MBA, Stern School of Business, New York University

Management is supported by a team of in-house research analysts.