



**RESOURCE**

REAL ESTATE DIVERSIFIED  
INCOME FUND

managed by a C-III Capital Partners company

# Management Matters



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

## 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"> <li><b>Management</b> – competency and alignment</li> <li><b>Portfolio</b> – location, quality, lease, and risk analysis</li> <li><b>Balance Sheet</b> – leverage, liquidity, and dividend coverage</li> </ul>	<ul style="list-style-type: none"> <li><b>Fundamental Valuation</b> – discounted cash flow, net asset value</li> <li><b>Income</b> – earnings cash flow</li> </ul>	<ul style="list-style-type: none"> <li><b>Seeks to Select High-quality Investments</b></li> <li><b>Attractively Priced</b></li> <li><b>Targeted Annualized Quarterly Distribution Greater than 5%*</b></li> </ul>									
<b>Total Universe</b>	<b>Investable Universe</b>	<b>Portfolio</b>									
<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									
Private Equity 25	Credit 60	Public Equity 200									
Private Equity 10–15	Credit 25–30	Public Equity 25–35									

\* 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 a 25-year track record of managing real estate investments for both institutional and retail investors.

## Resource portfolio management



### John Snowden, CFA®

Portfolio Manager

- Over 27 years of asset management experience
- Bachelor of Laws, University of New South Wales
- Master of Laws, University of Sydney



### Gene Nusinzon

Portfolio Manager

- Over 10 years of financial analyst experience
- BS, Pennsylvania State University
- MBA, Stern School of Business, New York University



### Justin Milberg

Chief Operating Officer

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

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

## 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](http://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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To learn more about the Fund and its management team and process, visit [www.ResourceAlts.com](http://www.ResourceAlts.com) or call **(866) 773-4120**.

## Definitions

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

**Private Equity** is a category that consists of actively managed real estate equity investments in an unlisted format, typically through a fund or trust. This includes private equity real estate funds and investments in non-traded REITs.

**Credit** is a category that invests in real estate companies through loan obligations, which typically includes instruments such as commercial mortgage backed securities, preferred equity, and bonds. This category may benefit from a higher claim on the assets and earnings of a company than common equity, does not have voting rights, and pays a fixed dividend with a yield usually above that of common equity.

**Public Equity** is a category that invests in public REITs, real estate operating companies, and private investment funds. Public equity is traded on stock exchanges and has voting rights.

**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.