



REAL ESTATE DIVERSIFIED  
INCOME FUND

managed by a C-III Capital Partners company

# A Professionally Managed, Diversified Interval Fund Strategy



# Resource Real Estate Diversified Income Fund

## Quarterly Performance Snapshot

Resource Real Estate Diversified Income Fund (the “Fund”) is a professionally managed, closed-end interval fund that blends multiple real estate investments across multiple sectors, seeking to provide investors with an income risk-adjusted strategy.

### Seeks to provide

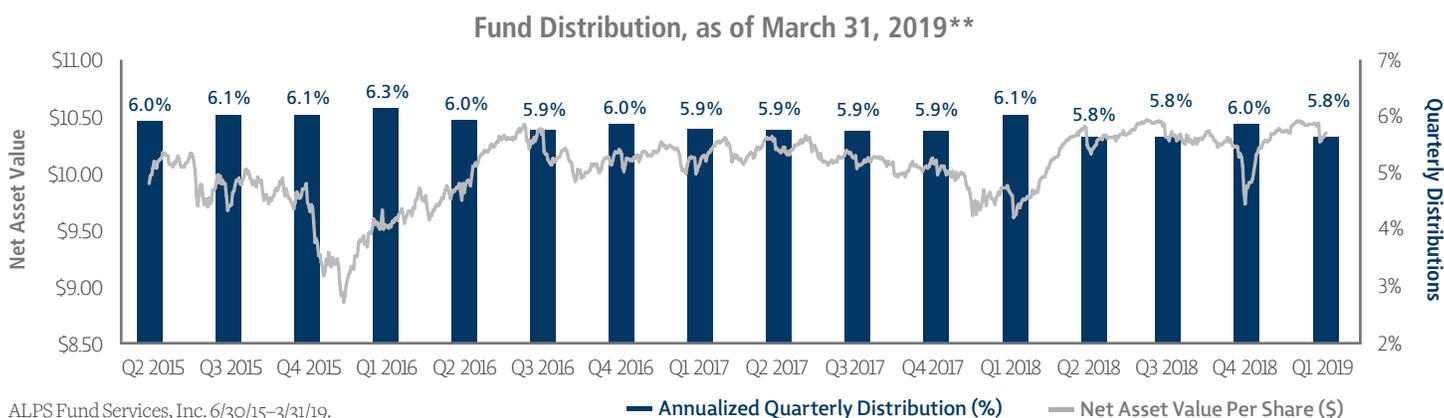
- **Income** – invests primarily in income-producing real estate equity and debt securities
- **Capital Appreciation** – growth potential through asset appreciation
- **Low Correlation** – low to moderate correlation to the broader equity market
- **Diversification** – multiple products, sectors, and investment types
- **Quarterly Liquidity** – liquidity through quarterly redemptions\*

\* No less than 5% of the shares outstanding will be made available for quarterly redemptions. 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.

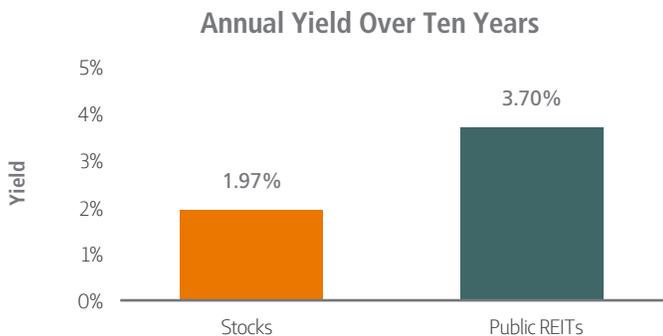
There is no guarantee that the Fund will achieve its objectives, generate profits, or avoid losses.

### Fund distribution

The Fund invests primarily in income-producing real estate equity and debt securities. The Fund seeks to pay out distributions from distributable cash flow and realized gains – a more sustainable distribution model.



\*\* Annualized distribution shown is for Class A shares. 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. Distributions 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. Distributions are not guaranteed.



Public REITs have historically provided higher yields compared to stocks.

Bloomberg, S&P 500 Total Return Index (Stocks), FTSE NAREIT All Equity REITs Index (Public REITs). 3/31/10–3/31/19.

The fees and expenses for different asset types will vary. The annual percentage yield is the effective annual rate of return taking into account the effect of compounding interest. A stock typically pays regular dividends, but not all stocks pay or are obligated to pay dividends; and public REITs typically pay income as dividends to shareholders, but dividends are not

guaranteed. There are risks associated with these investments. Risks associated with REITs include declines from deteriorating economic conditions, changes in the value of the underlying property, and defaults by borrowers, and the sale of securities to fund repurchases could reduce the market price of those securities, which in turn would reduce a REIT’s NAV; and an investment in stocks includes interest rate risks, inflationary risks, and business risks.

Past performance does not guarantee future results.

## Fund Performance, as of March 31, 2019

	YTD	1 YR	3 YR	5 YR	Since Inception 3/12/13, per annum
Diversified Income Fund	6.03%	13.05%	9.13%	7.84%	6.89%
Public REITs	17.17%	20.46%	7.84%	10.00%	9.11%
Stocks	13.60%	9.50%	13.51%	10.91%	12.75%

ALPS Fund Services, Inc. Resource Real Estate Diversified Income Fund Class A shares; Bloomberg. FTSE NAREIT All Equity REITs Index (Public REITs), S&P 500 Total Return Index (Stocks). You cannot invest directly in an index.

Performance data quoted represents past performance. Past performance is no guarantee of future results and investment returns and principal value of the Fund will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted above. For performance information current to the most recent month-end, please call toll-free (866) 773-4120 or visit [www.ResourceAlts.com](http://www.ResourceAlts.com).

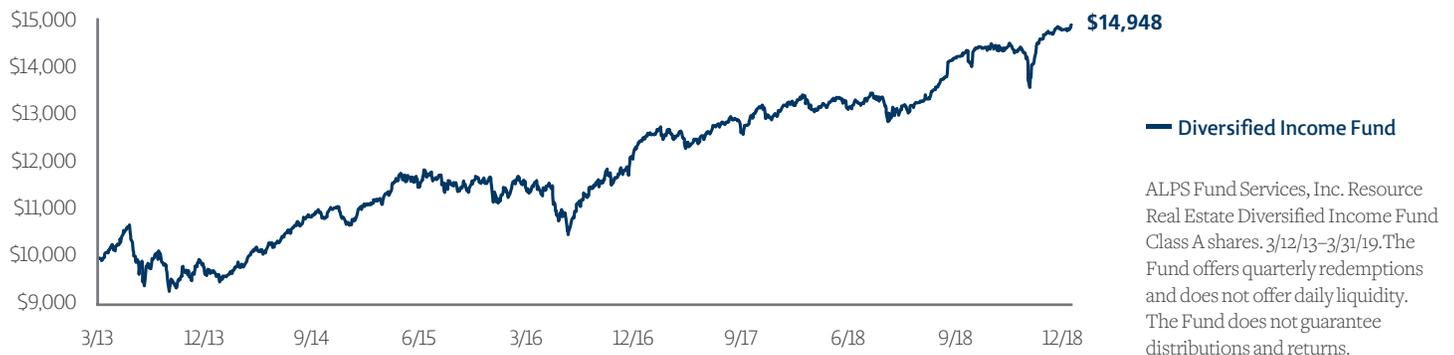
Performance information is reported net of the Fund's fees and expense, but does not include the Fund's maximum sales charge of 5.75% for Class A shares. Performance would have been lower if the maximum sales load had been reflected above.

Class A gross expenses are 2.97% and net expenses are 2.76%. Net fees are based on a contractual fee waiver and reimbursement agreement by the Adviser to waive its management fees and absorb the ordinary annual operating expenses of the Fund to the extent they exceed 1.99% per annum of daily net assets of Class A through at least January 31, 2021.

## Capital appreciation

The Fund aims to provide growth through asset appreciation. Since its inception, the Fund has increased in value and its most recent annualized total return was 6.89 percent, as of March 31, 2019.

### Growth of a Hypothetical \$10,000 Investment, as of March 31, 2019



Performance shown in the "Fund Growth" chart does not include any applicable advisory fees, sales charges and other fees and expenses. Actual performance will be reduced by fees and expenses and therefore will be lower than those shown. The chart represents a hypothetical investment at the beginning of the time period shown and should not be construed as representative of the returns that may be experienced by investors.

## Comparison to the broader markets

The Fund aims to provide low to moderate correlation as compared to the broader equity markets.

### Fund Correlation vs. Other Asset Classes, as of March 31, 2019

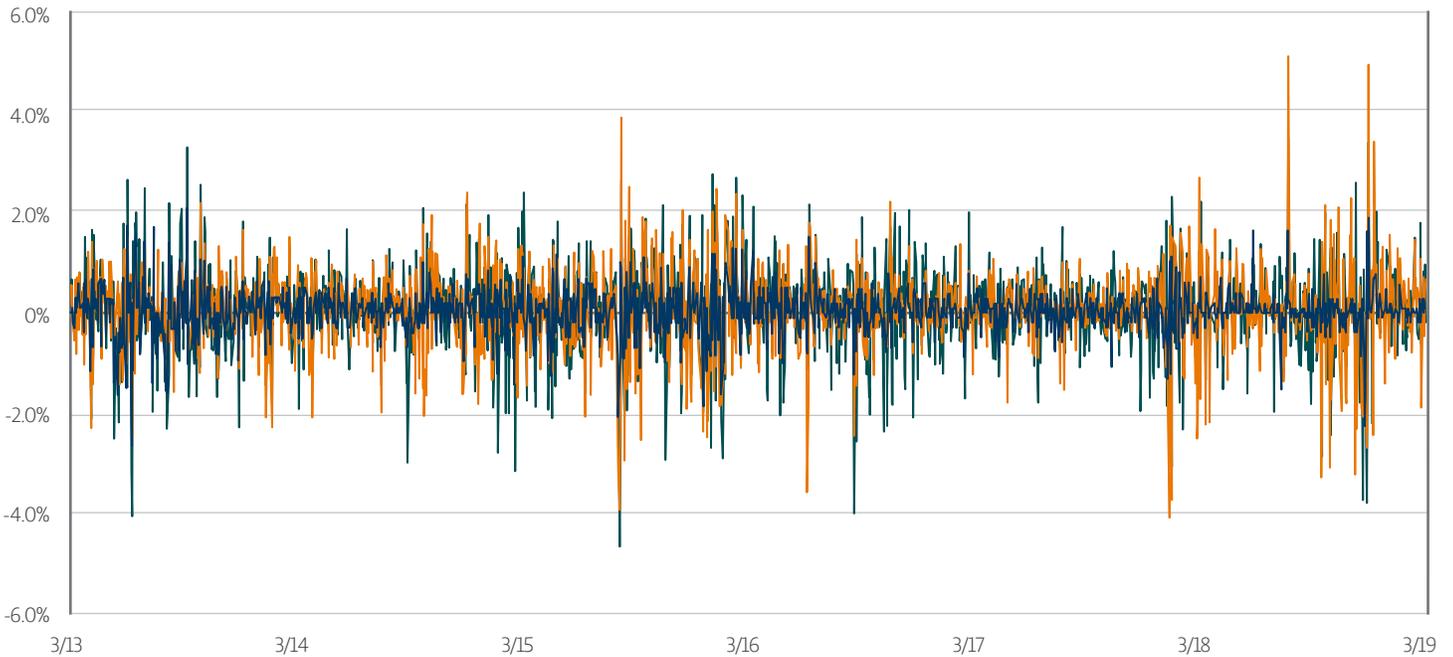
	RREDX	Public REITs	Stocks
RREDX	1.00	0.40	0.32
Public REITs	0.40	1.00	0.56
Stocks	0.32	0.56	1.00

ALPS Fund Services, Inc. Resource Real Estate Diversified Income Fund Class A shares; Bloomberg. FTSE NAREIT All Equity REITs Index (Public REITs), S&P 500 Total Return Index (Stocks). 3/12/13-3/31/19.

# Volatility

Since its inception, the Fund has demonstrated lower daily volatility compared to public REITs and stocks.

Fund Volatility



Investment Type	Annualized Standard Deviation
RREDX	7.1%
Public REITs	14.5%
Stocks	13.1%

— Diversified Income Fund  
 — Public REITs  
 — Stocks

ALPS Fund Services, Inc. Resource Real Estate Diversified Income Fund Class A shares; Bloomberg. FTSE NAREIT All Equity REITs Index (Public REITs), S&P 500 Total Return Index (Stocks). 3/12/13-3/31/19.

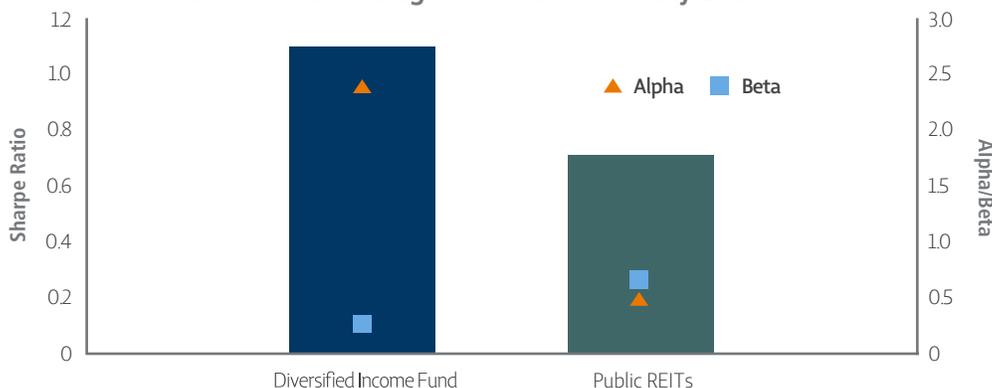
A stock typically pays regular dividends, but not all stocks pay or are obligated to pay dividends; and public REITs typically pay income as dividends to shareholders, but dividends are not guaranteed. There are risks associated with these investments. Risks associated with REITs include declines from deteriorating economic conditions, changes in the value of the underlying property, and defaults by borrowers, and the sale of securities to fund repurchases could reduce the market price of those securities, which in turn would reduce a REIT's NAV; and an investment in stocks includes interest rate risks, inflationary risks, and business risks.

The Fund has considerably less liquidity than a public REIT or equity. The Fund's liquidity policy involves quarterly redemptions at NAV of no less than 5% of the shares outstanding made available. The liquidity policy may provide more liquidity than other real estate and private equity investments. However, an investor may redeem less shares than requested depending on the number of other redemption requests.

## Measuring active return and systematic risk

The Fund offers an actively managed alternative to traditional real estate options. Benchmarked to the S&P 500, the Fund has generated a stronger alpha/beta profile and higher risk-adjusted returns compared to public real estate.

What Active Management Has Historically Delivered



Morningstar. Diversified Income Fund Class A shares, FTSE NAREIT All Equity REITs Index (Public REITs), S&P 500 Total Return Index. 3/13/13-3/31/19.

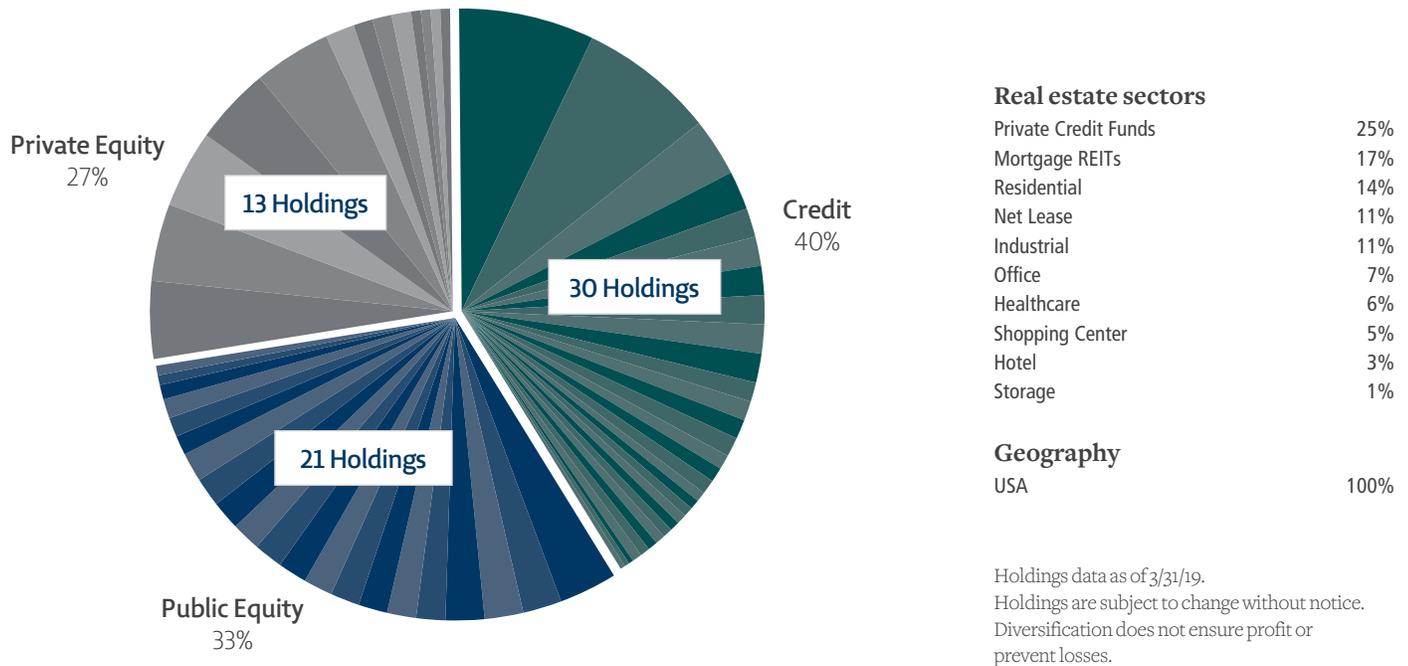
The Sharpe Ratio is calculated as total return divided by volatility. Volatility is measured as standard deviation.

Past performance does not guarantee future results.

## Fund diversification

The Fund invests in multiple real estate assets and provides true diversification, with 64 holdings within allocations to Credit, Public Equity, and Private Equity. The majority of the Fund's individual holdings are less than five percent of the total assets.

Portfolio Highlights, as of March 31, 2019



Holdings data as of 3/31/19.

Holdings are subject to change without notice.

Diversification does not ensure profit or prevent losses.

## 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.

**Correlation** is a measure of the degree to which the value of different investment types move in the same direction; if they perform independently of one another, they are non-correlated.

**Alpha** is a measure of the degree to which an investment outperforms its benchmark, typically an index. A higher alpha indicates greater outperformance relative to the benchmark.

**Beta** is a measure of an investment's systematic risk relative to its benchmark, typically an index. A lower beta indicates lower relative risk compared to the benchmark.

**The FTSE NAREIT All Equity REITs Index** is a free-float adjusted, market capitalization-weighted index of U.S. Equity REITs. Constituents of the Index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

**Volatility** is a statistical measure of the dispersion of returns for a given security or market index. Volatility was measured by using the standard deviation. Commonly, the higher the volatility, the riskier the security.

**Sharpe Ratio** is a measure that indicates the average return minus the risk-free return divided by the standard deviation of return on an investment. It describes how much excess return an investor is receiving for additional risk.

**The Annual Percentage Yield** is the effective annual rate of return taking into account the effect of compounding interest.

**The S&P 500 Total Return Index** is an index of 500 stocks chosen for market size, liquidity, and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index — each stock's weight is proportionate to its market value.

**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.

**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.

To learn more, visit  
**www.ResourceAlts.com** or call **(866) 773-4120**.

## 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](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 investment 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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