



INREIT

Invesco Real Estate Income Trust Inc.

Investing where we consume, live, innovate, and connect



Bethesda Health City, Boynton Beach, FL

Not for distribution to financial professionals or retail investors in the state of Ohio and New Jersey. This literature must be preceded or accompanied by a [prospectus](#) for Invesco Real Estate Income Trust Inc. (INREIT). This literature is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus. **This literature must be read in conjunction with the prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of the prospectus must be made available to you in connection with any offering.** No offering is made except by a prospectus filed with the Department of Law of the State of New York. Neither the Securities and Exchange Commission, the Attorney General of the State of New York, nor any other state securities regulator has approved or disapproved of these securities, determined if the prospectus is truthful or complete or determined whether the offering can be sold in compliance with any existing or future suitability or conduct standards, including the Regulation Best Interest standard, to any or all purchasers. Any representation to the contrary is a criminal offense. Invesco Distributors, Inc. (member FINRA/SIPC) is the dealer manager for the INREIT offering.

Not a Deposit Not FDIC Insured Not Guaranteed by the Bank May Lose Value Not Insured by any Federal Government Agency

Why Invesco Real Estate

Global reach and local expertise

Invesco Real Estate combines the local expertise of on-the-ground specialists with the resources of a global investment platform. We seek out the most compelling investments in direct properties and publicly traded real estate securities for institutions and individuals around the world.

1983

Founded

\$91.1B

Under Management Globally

586

Real Estate Professionals

21

Offices

16

Countries



Cortlandt Crossing, Mohegan Lake, NY

Invesco Real Estate as of March 31, 2023, latest data available, lags one quarter. Invesco Real Estate's assets under management (AUM) represents \$75.8B in direct real estate and \$15.3B in listed real assets offered through various vehicles and/or affiliates of Invesco Distributors, Inc.

Institutional investors¹ have long understood the merits of real estate, typically devoting a larger portion of their portfolios to this important asset class than individual investors do.

INREIT provides a new level of income potential and diversification² possibilities to individual investors.



Cortona Apartments, St. Louis, MO

There is no assurance INREIT will pay distributions in any particular amount, if at all. Distributions may be modified and are at the discretion of the board of directors. Distributions are not indicative of profitability, have been in excess of net income and may be funded from sources other than cash flow from operations, including without limitation, the sale of assets, borrowings, return of capital or offering proceeds. There are no limits on the amounts that may be paid from such sources.

1. There are material differences in the investment goals, liquidity needs, and investment objectives of individual and institutional investors. Investors should consult with a financial professional regarding their own situation and risk tolerance before making any investment decisions. Retail investors may already have significant exposure to the real estate asset class through home ownership. Institutional investor average target allocation based on 2022 Institutional Real Estate Allocations Monitor by Hodes Weill & Associates and Cornell Baker Program in Real Estate.
2. Diversification does not guarantee a profit or eliminate the risk of loss. There is no guarantee that INREIT will provide diversification.

Four ways real estate may help investors' portfolios



Diversification

A key investing rule of thumb is diversification — filling your portfolio with a variety of investments that don't move in lockstep. One way to measure the diversification potential of an investment is with correlation. US private real estate has historically shown low correlation to US equity and fixed income, which means it's provided greater portfolio diversification over the past 20 years.

Correlation to US private real estate: 20-year period through June 30, 2023³

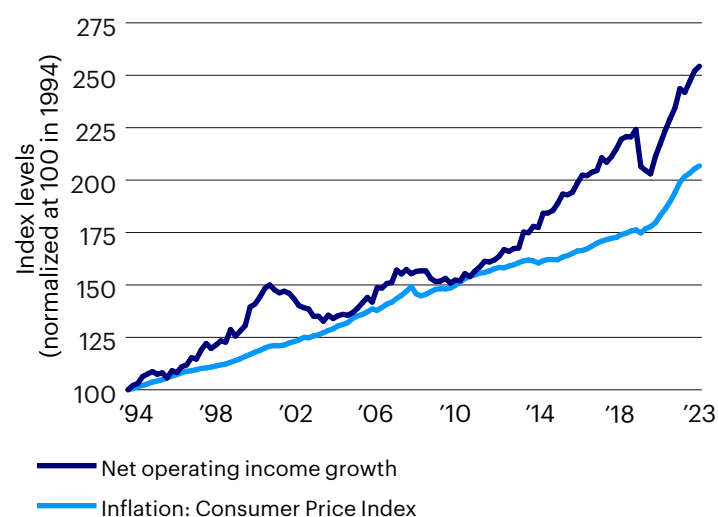
US equity	0.09
US fixed income	-0.19



Inflation hedge

A big concern among investors is that inflation can erode the purchasing power of income from stock dividends or bonds. But the income generated by private real estate is different — it's tied to rents, which generally rise when inflation goes up. Real estate income has outpaced inflation over the past 9 years.

Real estate income has historically kept pace with inflation⁴



The indexes noted below represent investments with material differences from an investment in INREIT, including related vehicle structure, investment objectives and restrictions, risks, fluctuation of principal, safety, guarantees or insurance, fees and expenses, liquidity, and tax treatment. An investment in INREIT is not a direct investment in real estate and has material differences from a direct investment in real estate, including those related to fees and expenses, liquidity, and tax treatment. See "Important Index Information" at the end of this brochure.

3. Correlation is a statistical measure of how two assets move in relation to each other. The higher the coefficient (1.00 is the maximum and would indicate perfect correlation), the greater the correlation between the two assets. US private real estate is represented by NCREIF Property Index. US equity is represented by the S&P 500 Index. US fixed income is represented by Bloomberg US Aggregate Bond Index. It is not possible to invest directly in an index, and an investment in INREIT is not an investment in any index. There is no guarantee that INREIT will provide diversification. Diversification does not guarantee a profit or eliminate the risk of loss.

4. Green Street Advisors, Bureau of Labor Statistics. Real Estate Income is represented by net operating income (NOI) growth, which is the average NOI growth by year across the major property sectors in North America: apartment, industrial, mall, office, and strip retail. Inflation is represented by the Consumer Price Index (CPI), which is a measure of the average change over time in the prices paid by urban consumers for a representative basket of goods and services. NOI growth equals all revenue from a property minus all reasonably necessary operating expenses. NOI growth may not be correlated to or continue to keep pace with inflation.



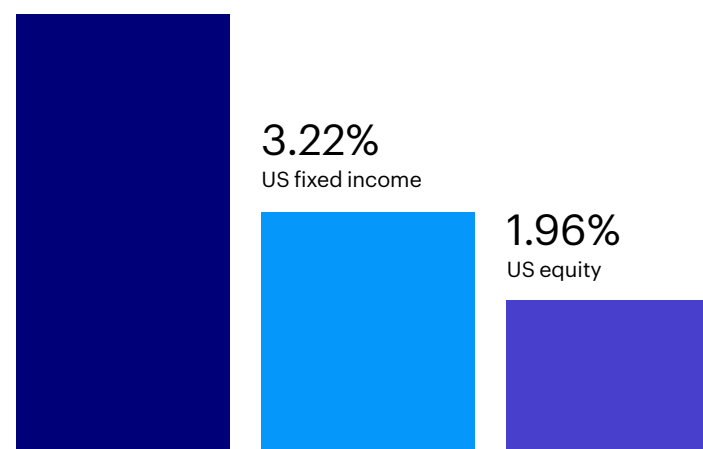
Durable income potential

In a continued market environment of low yields and economic uncertainty, investing in private real estate may provide durable income. US private real estate has offered stronger income generation than US fixed income and equity over the past 20 years.⁵

Average income return: 20-year period through June 30, 2023⁵

5.44%

US private real estate



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5. Morningstar Direct. US private real estate is represented by NCREIF Property Index; US equity is represented by S&P 500 Index; US fixed income is represented by Bloomberg US Aggregate Bond Index. 20-year average income return is as of June 30, 2023. You cannot invest directly in an index. Index performance does not represent INREIT performance, and an investment in INREIT is not an investment in any index. Past performance is not indicative of future results. There is no guarantee that any trends shown herein will continue. There is no assurance INREIT will pay distributions in any particular amount, if at all. Distributions may be modified and are at the discretion of the board of directors.

6. The information on tax advantages does not constitute tax advice. Because each investor's tax position is different, the benefits listed above may not be realized. A change in US tax laws could also have impact on the benefits of investing in real estate. Investors should always consult with a tax professional before making any investment decisions. Please note, an investment in INREIT does not constitute ownership in the properties it has acquired or will acquire.

7. Ordinary income tax brackets in the US range from 10% to 37%. Short-term capital gains, which are properties held one year or less, can range from 10% to 37%, depending on ordinary income tax bracket. Long-term capital gains, which are properties held a year and one day or more, are taxed more favorably, ranging from 0% to 20%, depending on income tax bracket.

8. The taxable portion of REIT distributions is reduced to the extent there is return on capital resulting from depreciation and amortization. The Tax Cuts and Jobs Act of 2017 is not applicable to capital gain dividends or certain qualified dividend income. It is only available for qualified REITs, and the board is authorized to revoke the REIT election. The tax benefit is set to expire after December 31, 2025.



Tax advantages

Investing in real estate may provide tax benefits for investors.⁶ For example:

Deductions and depreciation. Investors may benefit from INREIT's ability to deduct certain expenses, such as mortgage interest, property repairs, and depreciation.


Capital gains taxes instead of income taxes. INREIT may realize any profits from a property sale as a short-term or long-term capital gain, and the tax rates are typically lower than ordinary income tax rates.⁷

REITs and taxes. INREIT is not subject to corporate income tax on earnings distributed to investors, and dividends are taxed at investors' individual tax rates.⁸ Tax reporting is also more straightforward on a 1099-DIV (no K-1s).


Innovative thinking


INREIT's proprietary framework doesn't just look at the structure of a building — it looks at the critical activities that happen there. These are the places where people consume, live, innovate and connect.


INREIT Portfolio Highlights


 **Student Housing**
2 properties
1,489 beds


 **Healthcare**
20 properties
1,030,397 sq ft


 **Multifamily**
2 properties
638 units

 **Industrial**
6 properties
1,432,432 sq ft

 **Self-Storage**
10 properties
627,190 sq ft

 **Grocery-Anchored Retail**
1 property
122,225 sq ft

 **Office**
1 property
80,980 sq ft

 **Real Estate Debt**
4 loans



Willows Facility, Redmond, WA



San Simeon Apartments, Houston, TX



Tempe Student Housing, Tempe, AZ

Source: Invesco Real Estate (IRE) as of June 30, 2023.

Photos are for illustrative purposes only. There is no guarantee that future investments will have the same or similar characteristics. It should not be assumed that the investment properties identified were or will be profitable. Properties pictures shown are provided as an example of each type of property that the portfolio invest in. Performance was not a criteria for selection.



Bethesda Health City, Boynton Beach, FL

INREIT advantage

INREIT gives individual investors a unique, tax-smart way to invest in private real estate.

Investment strategy

INREIT seeks to invest in primarily stabilized, income-producing commercial real estate with exposure to real estate debt, diversified broadly across markets and property types

Structure

Non-listed perpetual-life REIT

Subscriptions, distributions and repurchases

Monthly

Tax reporting

Form 1099-DIV

There is no assurance INREIT will pay distributions in any particular amount, if at all. Distributions may be modified and are at the discretion of the board of directors. Distributions are not indicative of profitability, have been in excess of net income and may be funded from sources other than cash flow from operations, including without limitation, the sale of assets, borrowings, return of capital or offering proceeds. There are no limits on the amounts that may be paid from such sources.

Invesco Real Estate. For illustrative purposes only.

Invesco does not offer tax advice. Please consult your tax professional for information regarding your own personal tax situation.

INREIT offering terms

INREIT seeks to own stable properties across a variety of stabilized sectors with a focus on providing ongoing income to investors while also preserving principal. Its target portfolio will consist of at least 80% private real estate and up to 20% real estate-related securities.

Key terms ⁹	
Structure	Non-exchange-listed, perpetual-life real estate investment trust (REIT).
Offering price ¹⁰	Generally equal to INREIT's prior month's net asset value (NAV) per share for its respective class as of the last calendar day of such month, plus applicable selling commissions and dealer manager fees.
Subscriptions	Monthly Subscriptions are executed on the first calendar day of each month. Subscription requests must be received in good order at least five business days prior to the first calendar day of the month.
NAV	Monthly NAV per share will generally be calculated within 15 calendar days of month-end and made available on inreit.com, via our toll-free telephone number at 833-834-4924, and in prospectus supplements.
Distributions	Monthly Not guaranteed, subject to board approval.
Repurchases ¹¹	Monthly Repurchases are executed on the last day of each month. Requests must be received in good order at least two business days before month-end. Total repurchases are limited to 2% of aggregate NAV per month and 5% per calendar quarter. There is no lock-up period; however, shares not held for at least 12 months will be repurchased at 95% of NAV. The share repurchase plan is subject to other limitations, and INREIT's board may make exceptions to, modify, or suspend the plan.
Tax reporting	Form 1099-DIV.

Advisor fees	
Management fee	1% per annum of NAV, payable monthly.
Performance participation allocation ¹²	12.5% of the annual total return, subject to a 6% annual hurdle amount and a high-water mark, with a catch-up, payable annually and accruing monthly.

Share class-specific fees ¹³	Class T	Class S	Class D	Class I
Suitability standards	Purchaser must have either (1) a net worth of at least \$250,000 or (2) a gross annual income of at least \$70,000 and a net worth of at least \$70,000. Certain states have additional suitability standards. See the Prospectus for more information.			
Availability	Through transactional/brokerage accounts.		Through fee-based (wrap) programs, registered investment advisors, and other institutional and fiduciary accounts.	
Minimum initial investment	\$2,500	\$2,500	\$2,500	\$1,000,000
Subsequent investment ¹⁴	\$500	\$500	\$500	\$500
Selling commissions (upfront)	Up to 3.0%	Up to 3.5%	Up to 1.5%	None
Dealer manager fee (upfront)	0.50%	None	None	None
Stockholder servicing fees (per annum, payable monthly) (ongoing)	0.65% Advisor 0.20% Dealer	0.85%	0.25%	None

There is no assurance INREIT will pay distributions in any particular amount, if at all. Distributions may be modified and are at the discretion of the board of directors. Distributions are not indicative of profitability, have been in excess of net income and may be funded from sources other than cash flow from operations, including without limitation, the sale of assets, borrowings, return of capital or offering proceeds. There are no limits on the amounts that may be paid from such sources.

- Terms summarized herein are for informational purposes and qualified in their entirety by the more detailed information in the Prospectus. You should read the Prospectus carefully prior to making an investment.
- INREIT may offer shares based on an offering price that it believes reflects the NAV per share more appropriately than the prior month's NAV per share, including by updating a previously disclosed transaction price, in cases where there has been a material change (positive or negative) to INREIT's NAV per share since the end of the prior month.
- For additional information, see "Share Repurchases" in the Prospectus.
- See Important term definitions on the following page for a detailed explanation of Performance participation allocation.
- For purposes of determining whether you satisfy the standards above, your net worth is calculated, excluding the value of your home, home furnishings, and automobiles. Select broker dealers may have different suitability standards, may not offer all share classes, and/or may offer INREIT at a higher minimum initial investment. With respect to Class T shares, the amounts of upfront selling commissions and upfront dealer manager fees may vary at certain broker-dealers, provide the sum not exceed 3.5% of the transaction price. Advisor and dealer stockholder servicing fee for Class T shares may also vary at select broker-dealers, provided the sum of such fees will always equal 0.85% per annum of the NAV of such shares. Broker dealers may also charge additional fees for certain accounts, such as wrap accounts.
- Select broker dealers may offer INREIT at higher minimums. The minimum subsequent investment does not apply to purchases made under INREIT's distribution reinvestment plan.

Summary of risk factors

Invesco Real Estate Income Trust Inc. (INREIT) is a non-listed REIT that invests primarily in stabilized, income-oriented commercial real estate in the United States. To a lesser extent, INREIT also originates and acquires private real estate debt, including loans secured or backed by real estate, preferred equity interests and interests in private debt funds. INREIT invests in liquid real estate-related equity and debt securities intended to provide current income and a source of liquidity for its share repurchase plan, cash management and other purposes. This investment strategy involves a high degree of risk and is intended only for investors with a long-term investment horizon and who do not require immediate liquidity or guaranteed income. If INREIT is unable to effectively manage the impact of the risks inherent in its business, it may not meet its investment objectives. You should only invest in INREIT if you can afford a complete loss of your investment. You should read the Prospectus carefully for a description of the risks associated with an investment in INREIT. The principal risks relating to an investment in INREIT include, but are not limited to the following:

- INREIT has held its current investments for a short period of time, and you will not have the opportunity to evaluate INREIT's future investments before it makes them, which makes your investment more speculative.

- Since there is no public trading market for shares of INREIT's common stock, repurchase of shares by INREIT will likely be the only way to dispose of your shares. INREIT's share repurchase plan will provide stockholders with the opportunity to request that INREIT repurchases their shares on a monthly basis, but INREIT is not obligated to repurchase any shares and may choose to repurchase only some, or even none of the shares that have been requested to be repurchased in any month. In addition, repurchases will be subject to available liquidity and other significant restrictions. Further, INREIT's board of directors may make exceptions to, modify, or suspend its share repurchase plan. As a result, INREIT's shares should be considered as having only limited liquidity and at times may be illiquid. Your ability to have your shares repurchased through INREIT's share repurchase plan is limited, and if you do sell your shares to INREIT, you may receive less than the price you paid.

- There is no assurance INREIT will pay distributions in any particular amount, if at all. Distributions may be modified and are at the discretion of the board of directors. Distributions are not indicative of profitability, have been in excess of net income and may be funded from sources other than cash flow from operations, including without limitation, the sale of assets, borrowings, return of capital or offering proceeds. There are no limits on the amounts that may be paid from such sources.

- The purchase price and repurchase price for shares of INREIT's common stock will generally be based on the prior month's NAV and will not be based on any public trading market. While there will be independent valuations of INREIT's properties quarterly, the valuation of properties is inherently subjective, and INREIT's NAV may not accurately reflect the actual price at which its properties could be liquidated on any given day.

- INREIT has no employees and is dependent on Invesco Advisers, Inc. ("Adviser") to conduct its operations. The Adviser will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among INREIT and Other Invesco Accounts (as defined in the Prospectus), the allocation of time of its investment professionals and the substantial fees that INREIT will pay to the Adviser.

- INREIT is conducting a "best efforts" offering. If INREIT is not able to raise a substantial amount of capital on an ongoing basis, its ability to achieve its investment objectives could be adversely affected.

- Principal and interest payments on any borrowings will reduce the amount of funds available for distribution or investment in additional real estate assets.

- There are limits on the ownership and transferability of INREIT's shares. See "Description of Capital Stock – Restrictions on Ownership and Transfer" in the Prospectus for more information.

- INREIT does not own the Invesco name but is permitted to use it as part of INREIT's corporate name pursuant to a trademark license agreement with an affiliate of Invesco. Use of the name by other parties or the termination of INREIT's trademark license agreement may harm its business.

- If INREIT fails to qualify as a REIT and no relief provisions apply, its NAV and cash available for distribution to its stockholders could materially decrease.

- Accurate valuations are more difficult to obtain in times of low transaction volumes due to fewer market transactions that can be considered in the context of the appraisal. There will be no retroactive adjustment in the valuation of assets, INREIT's offering price of its common stock shares, the price INREIT paid to repurchase its common stock or NAV-based fees INREIT paid to the Adviser and the Dealer Manager to the extent valuations prove to not accurately reflect the realizable value of INREIT's assets. The price you will pay for shares of INREIT's common stock and the price at which shares may be repurchased will generally be based on the prior month's NAV per share. As a result, you may pay more than realizable value or receive less than realizable value for your investment.

Forward-looking statement disclosure

This material contains forward-looking statements about INREIT's business, including, in particular, statements about its plans, strategies, and objectives. You can generally identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue," or other similar words. These statements include INREIT's plans and objectives for future operations, including plans and objectives relating to future growth and availability of funds, and are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to these statements involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to accurately predict and many of which are beyond INREIT's control. Although INREIT believes the assumptions underlying the forward-looking statements, and the forward-looking statements themselves, are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that these forward-looking statements will prove to be accurate, and INREIT's actual results, performance, and achievements may be materially different from that expressed or implied by these forward-looking statements. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of this information should not be regarded as a representation by INREIT or any other person that INREIT's objectives and plans, which are considered to be reasonable, will be achieved.

Important information about other Invesco real estate funds

This material includes information related to prior investments Invesco Real Estate has made, in which INREIT will not have any interest. While the investment programs of other Invesco real estate accounts and INREIT’s investment strategy each involve real estate-related investments and overlapping personnel, each of the accounts and strategies has distinct investment activities, including but not limited to objectives, costs and expenses, tax features, and leverage policies. Invesco Real Estate’s experience in managing other Invesco real estate accounts and other Invesco accounts is not necessarily applicable to INREIT. There can be no assurance that INREIT will be able to successfully identify, make and realize any particular investment or generate returns for its investors.

Other important information

The opinions expressed are those of INREIT as of the date appearing in the materials, are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals. Stockholders, financial professionals, and prospective investors should not rely solely upon the information presented when making an investment decision and should review the Prospectus. Certain information contained in the materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. The information contained herein does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

Invesco Advisers, Inc. is the investment adviser for INREIT; it provides investment advisory services to individual and institutional clients and does not sell securities. Invesco Distributors, Inc. (member FINRA/SIPC) is the dealer manager for the INREIT offering. Both entities are indirect, wholly owned subsidiaries of Invesco Ltd.

Invesco Real Estate is the real estate investment center of INREIT’s sponsor Invesco Ltd., a leading global investment firm (“Invesco”). The Adviser uses the personnel and global resources of Invesco Real Estate to provide investment management services to INREIT. Information regarding Invesco and Invesco Real Estate is included to provide information regarding the experience of INREIT’s adviser and its affiliates. An investment in INREIT is not an investment in our adviser or Invesco, as INREIT is a separate and distinct legal entity.

Performance participation allocation

The Special Limited Partner will hold a performance participation interest in INREIT’s Operating Partnership that entitles it to receive an allocation from the Operating Partnership equal to 12.5% of the Total Return, subject to a 6% Hurdle Amount and a High-Water Mark, with a Catch-Up (each term as defined below). Such allocation will be made annually and accrue monthly.

“**Total Return**” for any period since the end of the prior calendar year shall equal the sum of: (1) all distributions accrued or paid (without duplication) on the Operating Partnership units outstanding at the end of such period since the beginning of the then-current calendar year, plus (2) the change in aggregate NAV of such units since the beginning of the year, before giving effect to (x) changes resulting solely from the proceeds of issuances of Operating Partnership units, (y) any allocation/accrual to the Performance Participation and (z) applicable stockholder servicing fee expenses (including any payments made to us for payment of such expenses). For the avoidance of doubt, the calculation of Total Return will (i) include any appreciation or depreciation in the NAV of units issued during the then-current calendar year but (ii) exclude the proceeds from the initial issuance of such units.

Specifically, the Special Limited Partner will be allocated a performance participation in an amount equal to:

- *First*, if the Total Return for the applicable period exceeds the sum of (1) the Hurdle Amount for that period and (2) the Loss Carryforward Amount (any such excess, “Excess Profits”), 100% of such Excess Profits until the total amount allocated to the Special Limited Partner equals 12.5% of the sum of (x) the Hurdle Amount for that period and (y) any amount allocated to the Special Limited Partner pursuant to this clause (this is commonly referred to as a “**Catch-Up**”); and
- *Second*, to the extent there are remaining Excess Profits, 12.5% of such remaining Excess Profits.

“**Hurdle Amount**” for any period during a calendar year means that amount that results in a 6% annualized internal rate of return on the NAV of the Operating Partnership units (other than Class N units and Class E units) outstanding at the beginning of the then-current calendar year and all Operating Partnership units (other than Class N units and Class E units) issued since the beginning of the then-current calendar year, taking into account the timing and amount of all distributions accrued or paid (without duplication) on all such units and all issuances of Operating Partnership units over the period and calculated in accordance with recognized industry practices. The ending NAV of the Operating Partnership units used in calculating the internal rate of return will be calculated before giving effect to any allocation/accrual to the Performance Participation and applicable stockholder servicing fee expenses, provided that the calculation of the Hurdle Amount for any period will exclude any Operating Partnership units repurchased during such period, which units will be subject to the Performance Participation upon repurchase as described below. Except as described below in regards to Loss Carryforward Amounts, any amount by which Total Return falls below the Hurdle Amount will not be carried forward to subsequent periods.

“**Loss Carryforward Amount**” shall initially equal zero and shall cumulatively increase by the absolute value of any negative annual Total Return and decrease by any positive annual Total Return, provided that the Loss Carryforward Amount shall at no time be less than zero and provided further that the calculation of the Loss Carryforward Amount will exclude the Total Return related to any Operating Partnership units (other than Class N units and Class E units) repurchased during such year, which units will be subject to the Performance Participation upon repurchase as described below. The effect of the Loss Carryforward Amount is that the recoupment of past annual Total Return losses will offset the positive annual Total Return for purposes of the calculation of the Performance Participation. This is referred to as a “**High-Water Mark**.”

Important index information

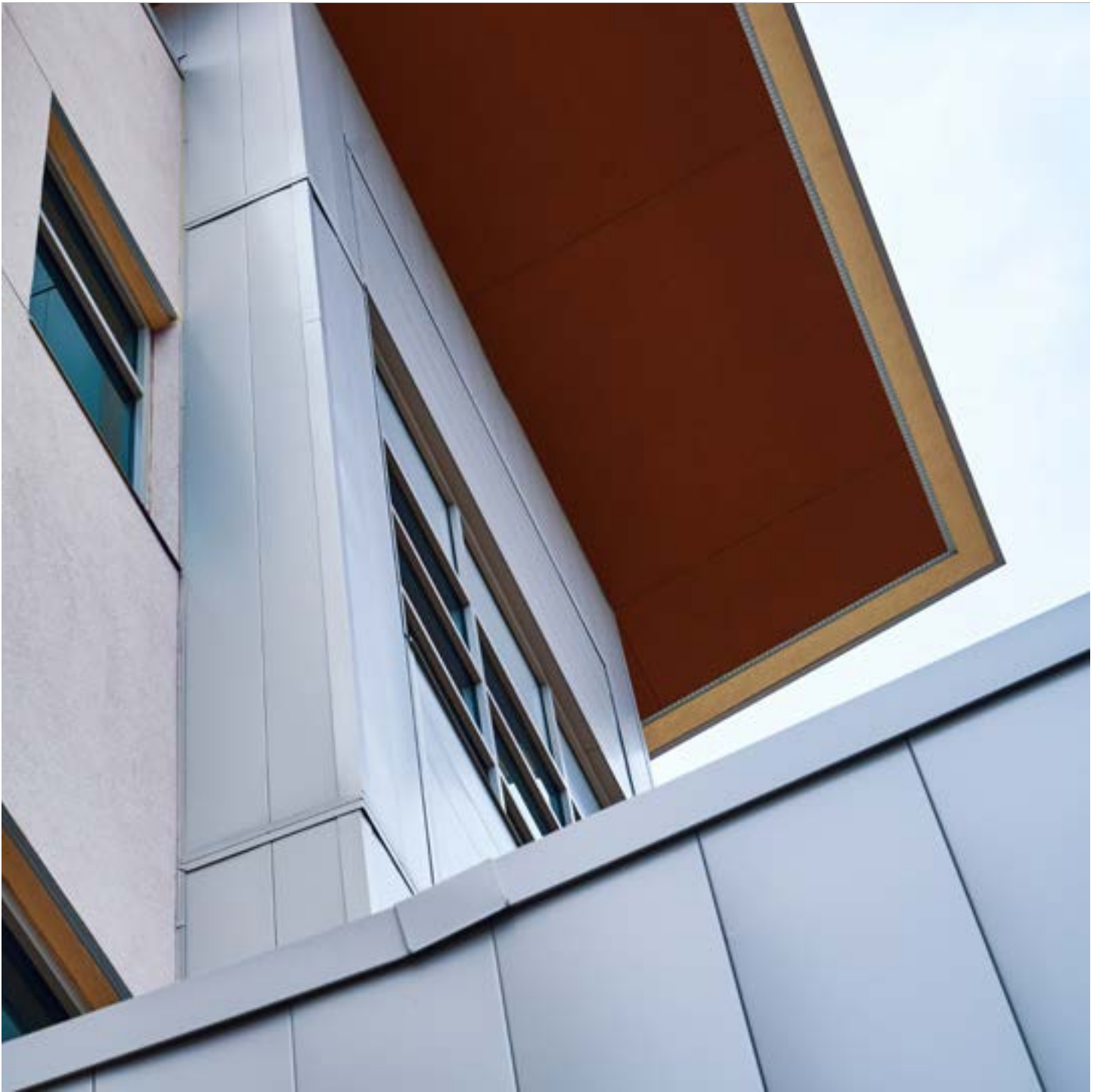
The following indexes represent investments with material differences from an investment in non-traded REITs, such as INREIT, including related vehicle structure, investment objectives and restrictions, risks, fluctuation of principal, safety, guarantees or insurance, fees and expenses, liquidity, and tax treatment. An investment in INREIT is not a direct investment in real estate and has material differences from a direct investment in real estate, including those related to fees and expenses, liquidity, and tax treatment.

US Private Real Estate is represented by the NCREIF Property Index (the “NPI”) on the basis that the NPI is the broadest measure of private real estate index returns. The NPI is published by the National Council of Real Estate Investment Fiduciaries and is a quarterly, composite total return (based on appraisal values) for private commercial real estate properties held for investment purposes including fund expenses but excluding leverage and management and advisory fees. The NPI excludes leverage and therefore is less volatile than real estate vehicles such as INREIT, which employ leverage. All properties in the NPI have been acquired, at least in part, on behalf of tax-exempt institutional investors and held in a fiduciary environment. NCREIF data reflects the returns of a blended portfolio of institutional quality real estate and does not reflect the use of leverage or the impact of management and advisory fees. US Equities are represented by the S&P 500 Index, an unmanaged index of the 500 largest stocks, weighted by market capitalization and considered representative of the broader stock market. The S&P 500 Index is subject to market risk. US Fixed Income is represented by the Bloomberg Barclays US Aggregate Bond Index, an index of securities that covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities; and is subject to credit risk. The S&P 500 Index and the Bloomberg Barclays US Aggregate Bond Index are meant to illustrate general market performance; it is not possible to invest directly in an index. An investment in INREIT’s shares is different from a direct investment in the commercial real estate properties represented by the NPI or US private real estate.

An investment in US private real estate differs from the S&P 500 Index in that US private real estate investments are not large or mid cap stock indexes, and differs from the Bloomberg Barclays US Aggregate Bond Index in that US private real estate investments are not fixed-rate debt instruments, such as bonds that represent debt issued by corporations across a variety of issuers with varying pricing, terms and conditions. These indexes are used in comparison to the NPI in order to illustrate the differences in historical total returns generated by US private real estate, US equities and US fixed income. The prices of securities represented by these indexes may change in response to factors including: the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, and investor perceptions. All indexes are unmanaged and do not include the impact of fees and expenses. Comparisons shown are for illustrative purposes only and do not represent specific investments or the performance of INREIT.

Non-traded REITs do not trade on a national securities exchange, and therefore, are generally illiquid. Early redemption of non-traded REIT shares is often very limited, and fees associated with the sale of these products can be higher than other asset classes. In some cases, periodic distributions may be subsidized by borrowed funds and include a return of investor principal. This is in contrast to the distributions investors receive from large corporate stocks that trade on national exchanges, which are typically derived solely from earnings. Investors typically seek income from non-traded REIT distributions over a period of years. Upon liquidation, return of capital may be more or less than the original investment depending on the value of assets. INREIT shares may be significantly less liquid than shares of publicly traded securities, and are not immune to fluctuations, including downward fluctuations. Additionally, the value of INREIT’s underlying property holdings will fluctuate and be worth more or less than the acquisition cost when sold. Investors are advised to consider the limitations on liquidity of INREIT shares when also evaluating the volatility of its stock price as compared to that of the stock prices of publicly traded securities.

Distributions received from a REIT, including distributions that are reinvested pursuant to a distribution reinvestment plan, will generally be taxed as ordinary dividend income to the extent they are paid out of current or accumulated earnings and profits. The current maximum US federal income tax rate for distributions payable by corporations to domestic stockholders that are individuals, trusts or estates is 20% (plus a 3.8% “Medicare tax” surcharge). Distributions payable by REITs, however, generally are taxed at the ordinary income tax rate applicable to the individual recipient, rather than the maximum 20% income tax rate, subject to certain applicable deductions. However, if a long-term capital gain is recognized upon the sale of an asset, a portion of distributions may be designated and treated as a long-term capital gain. In addition, some portion of distributions may not be subject to tax in the year received due to the fact that depreciation expense reduces earnings and profits but does not reduce cash available for distribution. Amounts distributed in excess of earnings and profits will reduce the tax basis of an investment and will not be taxable to the extent thereof on a current basis, and distributions in excess of tax basis will be taxable as an amount realized from the sale of shares of common stock. This, in effect, would defer a portion of taxes payable until the investment is sold or the REIT is liquidated, at which time one may be taxed at capital gains rates. However, each investor’s tax considerations are different and consulting a tax advisor is recommended. Any of the data provided herein should not be construed as investment, tax, accounting, or legal advice. Fixed income securities are subject to interest rate, inflation, credit, and default risk. As interest rates rise, bond prices usually fall, and vice versa. Prices may decline if an issuer fails to make timely payments or its credit strength weakens.



Centura Castle Rock, Castle Rock, CO

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