

FOR BROKER-DEALER USE ONLY;  
NOT FOR INVESTOR USE



**BLUEROCK<sup>®</sup>**

*Smart Investment Solutions*

**WWW.BLUEROCKRE.COM | 877.826.BLUE (2583)**

## The Milky Way Galaxy



Picture: Hubble Space Telescope

- a) 1 trillion stars
- b) 100 billion to 400 billion stars
- c) 200 thousand to 300 thousand stars
- d) 500 million to 600 million stars



## A LEADING NATIONAL INVESTMENT AND ASSET MANAGEMENT FIRM

- Founded in **2002**
- Headquarters in **New York, NY** with regional offices coast-to-coast
  
- Four Principals with a collective **115+ Years Investing Experience**
  - Launched several leading real estate private and public company platforms
  - Institutional track record
    - **\$10+ Billion** in value
    - **50+ Million SF**
  
- **\$4.5+ Billion** in Sponsored Products | **25,000+** investors across all products

**FORMERLY:**

**Bank of America**   
**LEHMAN BROTHERS**

 **RREEF**  
Real Estate Investment Managers

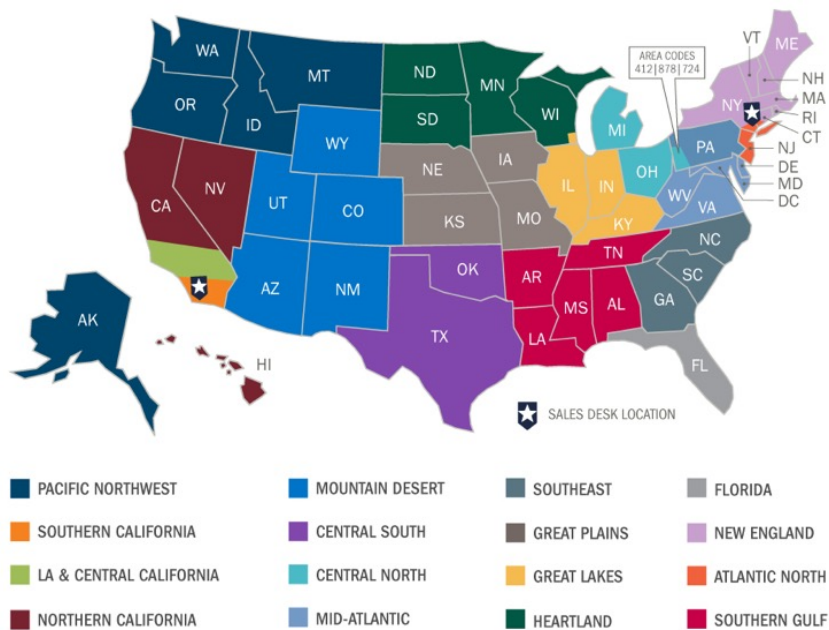
 **STARWOOD**  
CAPITAL GROUP

# Robust Capital Markets Footprint

<p><b>CEO</b></p> <p><b>Jeffrey S. Schwaber</b> Formerly: Griffin Capital, Behringer Harvard</p>
<p><b>3 National Accounts</b></p> <p><b>Carla Martin, Sandra Negrao, Rebekah Brooks</b> Formerly: Cole, ICON, Franklin Square, W.P. Carey, Wells</p>
<p><b>16 External Wholesalers</b></p>
<p><b>16 Internal Wholesalers</b></p> <p><b>2 Sales Desk + Sales Desk Manager</b> Internal Support</p>
<p><b>12+ Support Staff</b></p> <p>Administration, Compliance, Due Diligence, Fulfillment, Investor Relations, Legal, Marketing</p>

a combined  
**\$75 Billion**  
in capital raised

**26 Years**  
Average Industry Experience





# Industry Sponsor Rankings (As of Dec 2017)

- Includes All NT REITs, NT BDCs, Interval Funds, 1031 Exchange Programs

1	Blackstone	1,873.0	17	Cantor Fitzgerald	140.9
2	Griffin	1,241.2	18	Provasi	101.8
3	Inland	800.0	19	Steadfast	101.3
4	Versus	797.0	20	CION	91.1
5	<b>Bluerock</b>	<b>658.1</b>	21	Owl Rock	90.8
6	SC Distributors	517.5	22	CNL	87.1
7	FS Investments	342.1	23	Nelson Bros	86.3
8	Carey Financial	305.9	24	KBS	70.1
9	Passco	300.9	25	Internet / Direct	64.3
10	Cole	273.1	26	AEI	55.6
11	Select Capital	221.1	27	LaSalle	54.9
12	Black Creek (Div Cap)	189.2	28	Moody's	46.5
13	Hines	187.4	29	Capital Square	45.9
14	Resource	168.0	30	Highland	29.1
15	ExchangeRight	162.1	31	Northstar	28.3
16	David Lerner	149.0			

Sources: Robert A. Stanger, BlueVault, Mountain Dell.  
Versus exclusively distributes with Wealth RIAs: 719



# Overview of Product Verticals



- NYSE MKT: BRG (included in the Russell 2000 Index)
- \$1.69+ Billion in Assets
- Class A multifamily Portfolio – 12,400 units
- Focused on creating value in high growth markets
- 40% Institutional ownership



- NASDAQ Ticker: TIPRX, TIPPX, TIPWX, TIPLX
- \$875+ Million in AUM
- \$160 Billion underlying real estate securities
- Portfolio of institutional private equity real estate securities



- \$1.1 Billion in AUM
- 20 Operating DSTs
- 7 Million Square Feet
- 4,000+ Apartment Units





# Total Income<sup>+</sup>

REAL ESTATE FUND™

**Sponsored By:**

 **BLUEROCK** | Institutional Investments for Individual Investors

**Sub-Advised By:**

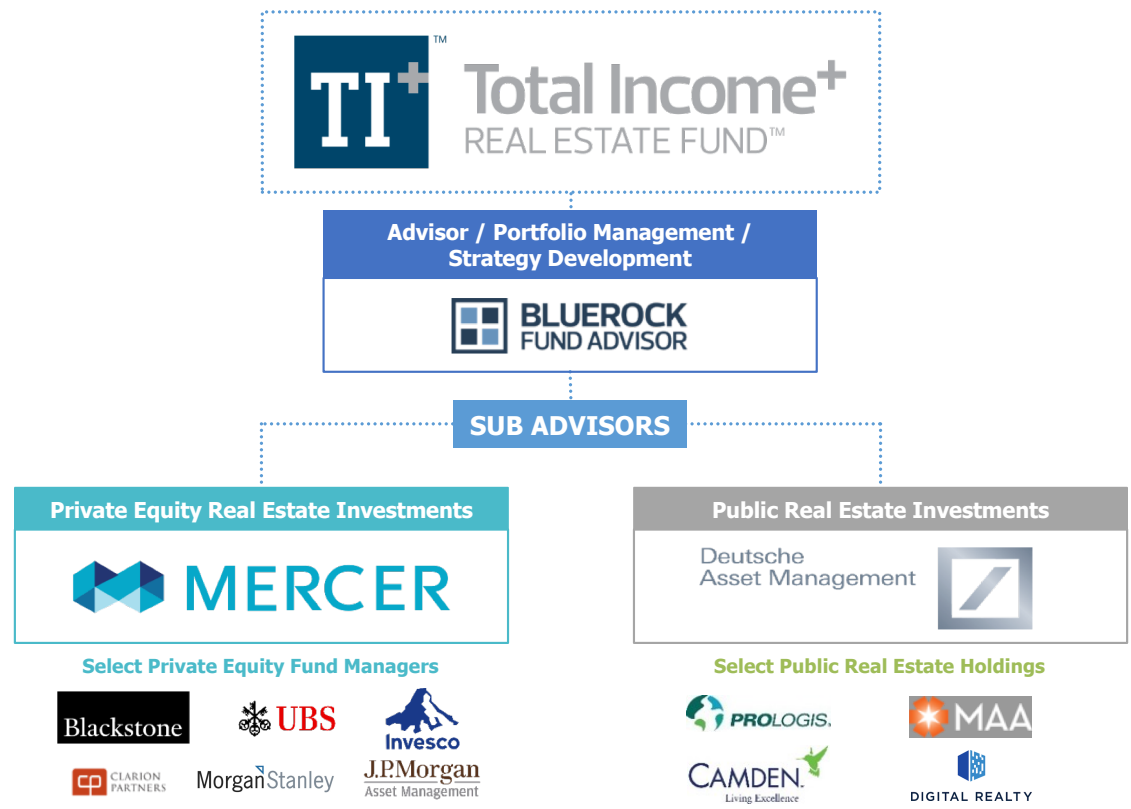
 **MERCER** | Global Institutional Manager Selection Specialist

Deutsche  
Asset Management  | Public Real Estate Securities Manager

**Not FDIC Insured | No Bank Guarantee | May Lose Value**

Investing in the Fund involves risks, including the risk that you may receive little or no return on your investment or that you may lose part or all of your investment. The ability of the Fund to achieve its investment objective depends, in part, on the ability of the Advisor to allocate effectively the Fund's assets in which it invests. There can be no assurance that the actual allocations will be effective in achieving the Fund's investment objective or delivering positive returns.

# Fund Structure



The private equity managers and public investments herein represent the TI+ Fund's investments as of 12/31/2017. Subject to change anytime. **Portfolio allocations are subject to change at any time and should not be considered investment advice.**



# TI+ Provides Individual Investors Unique Access to:

- + Institutional private real estate managers otherwise not accessible to individuals due to large investment minimums
- + A fully diversified **multi-manager, multi-strategy, multi-sector** investment fund
- + Leading, world-class sub-advisors

## Select Managers



The managers listed herein represent a portion of the TI+ Fund's current investments as of 12/31/2017. Portfolio allocations are subject to change at any time and should not be considered investment advice.

**There is no assurance that any investment strategy will achieve its objectives, generate profits or avoid losses.**





# Addressing the Major Concerns Facing Advisors Today...

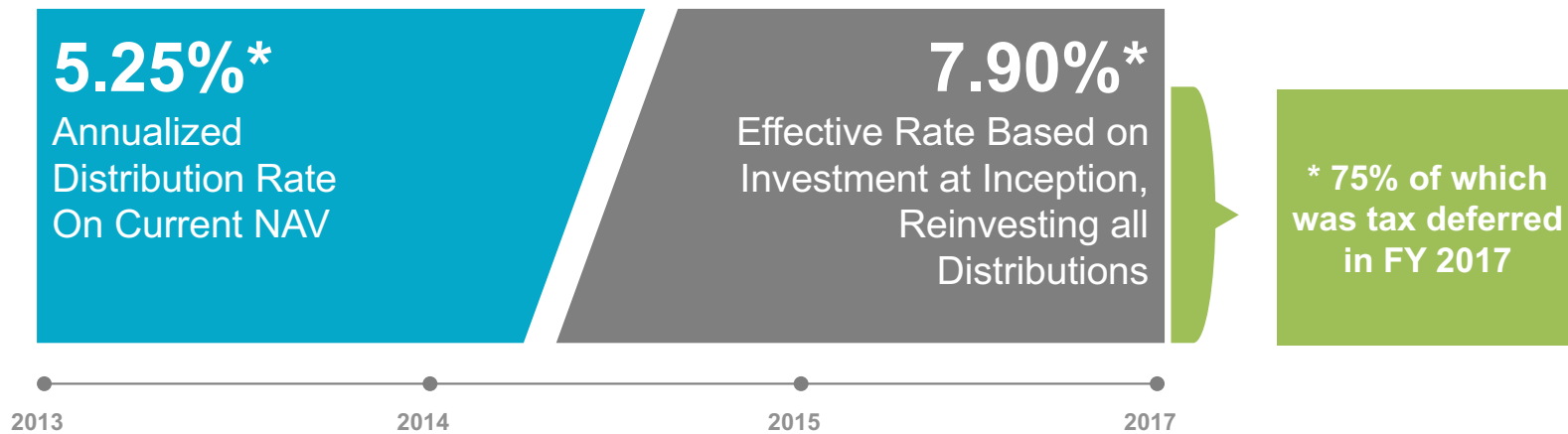
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- + Generating income
- + Generating total return
- + Managing volatility
- + Portfolio diversification
- + Managing interest rate risk

There can be no assurance that any investment strategy will achieve its objectives, generate profits or avoid losses.

# TI+ Distribution Rate

As NAV has grown, the effective distribution rate has increased



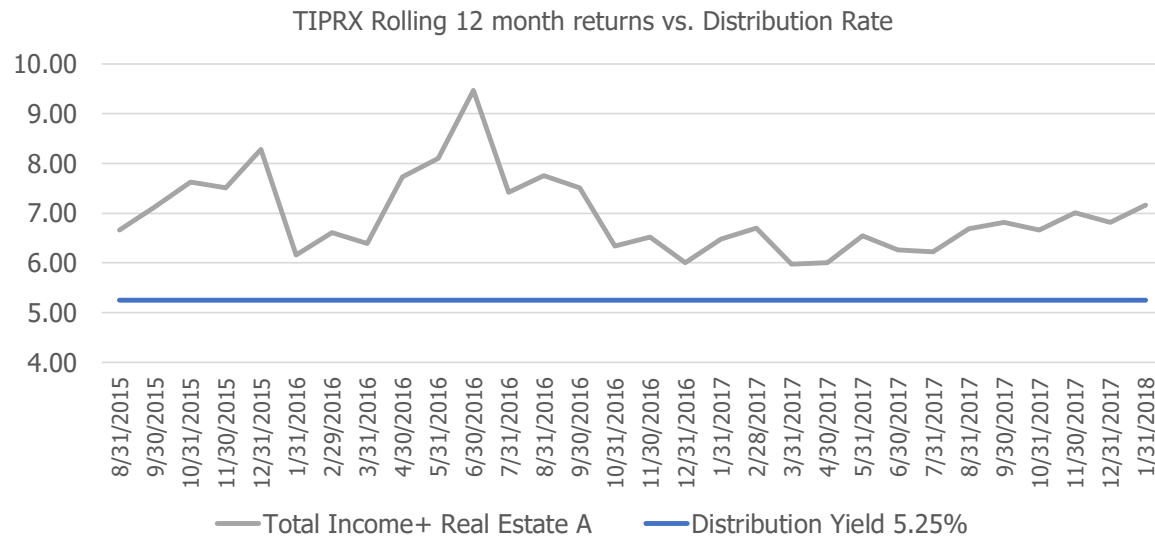
\* The Fund's distribution policy is to make quarterly distributions to shareholders. The Fund's inception date is 10/22/12; however, its first distribution was made 3/27/13. The level of quarterly distributions (including any return of capital) is not fixed. However, this distribution policy is subject to change. The Fund's distribution amounts were calculated based on the ordinary income received from the underlying investments, including short-term capital gains realized from the disposition of such investments. Shareholders should not assume that the source of a distribution from the Fund is net profit. A portion of the distributions consist of a return of capital based on the character of the distributions received from the underlying holdings, primarily Real Estate Investment Trusts. The final determination of the source and tax characteristics of all distributions will be made after the end of the year. Shareholders should note that return of capital will reduce the tax basis of their shares and potentially increase the taxable gain, if any, upon disposition of their shares. There is no assurance that the Company will continue to declare distributions or that they will continue at these rates.

# TI+ Distribution Coverage Spread

**MAX: 4.22**

**MIN: 0.72**

**AVG: 1.70**



\* The Fund's distribution policy is to make quarterly distributions to shareholders. The Fund's inception date is 10/22/12; however, its first distribution was made 3/27/13. The level of quarterly distributions (including any return of capital) is not fixed. However, this distribution policy is subject to change. The Fund's distribution amounts were calculated based on the ordinary income received from the underlying investments, including short-term capital gains realized from the disposition of such investments. Shareholders should not assume that the source of a distribution from the Fund is net profit. A portion of the distributions consist of a return of capital based on the character of the distributions received from the underlying holdings, primarily Real Estate Investment Trusts. The final determination of the source and tax characteristics of all distributions will be made after the end of the year. Shareholders should note that return of capital will reduce the tax basis of their shares and potentially increase the taxable gain, if any, upon disposition of their shares. There is no assurance that the Company will continue to declare distributions or that they will continue at these rates.

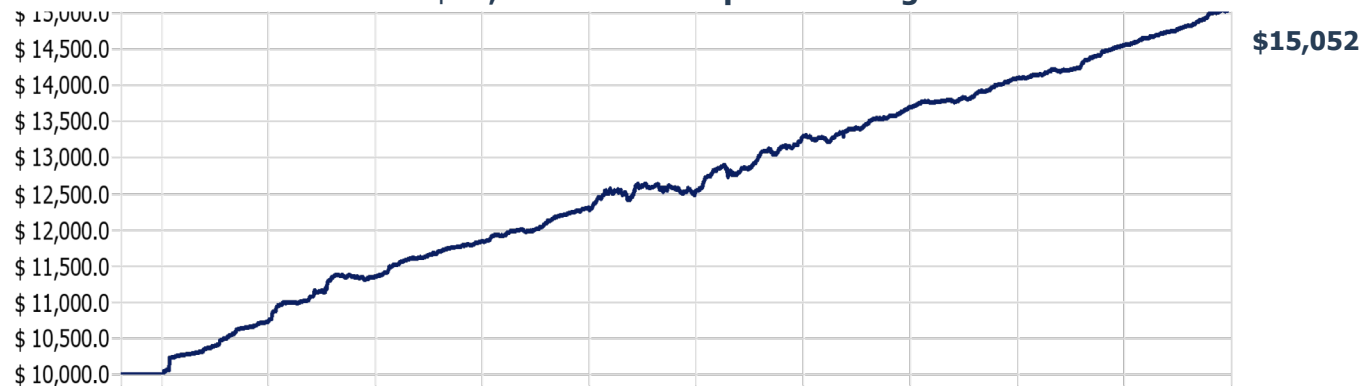




# Total Annualized Returns of 8.20% since Inception (thru 12.31.2017)

	Return Since Inception As of 12.31.17 <sup>1</sup>	One Year Return 1.1.17-12.31.17	Highest/Lowest Calendar Year Returns
TI+ – Class A, no load	8.20% <sup>2</sup>	6.81%	13.61% (2013) 6.01% (2016)
TI+ – Class A with Sales Charge	6.96%	0.67%	7.05% (2013) -0.08% (2016)

**TIPRX Growth of \$10,000 Since Inception Through 12.31.2017**



The total annual fund operating expense ratio, gross of any fee waivers or expense reimbursements, is 2.25%. The performance data quoted herein represents past performance. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Past performance is no guarantee of future results. The Fund's investment advisor has contractually agreed to reduce its fees and/or absorb expenses of the fund, at least until February 1, 2018, to ensure that the net annual fund operating expenses will not exceed 1.89%, subject to possible recoupment from the Fund in future years.

Results shown reflect the full fee waiver, without which the results could have been lower. A Fund's performance, especially for very short periods of time, should not be the sole factor in making your investment decisions.

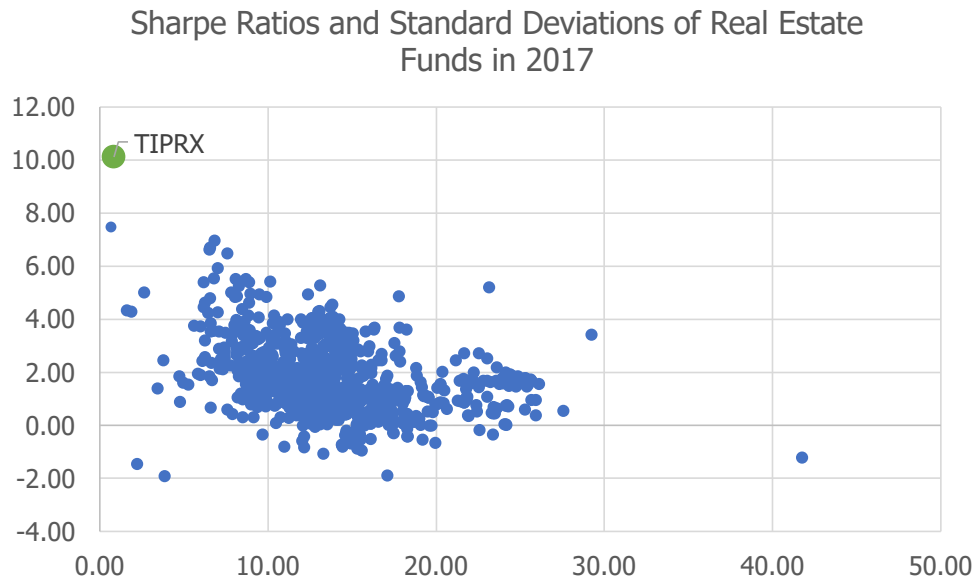
<sup>1</sup> Since inception 10/22/12. Performance for periods less than one year is not annualized.

<sup>2</sup> Return is shown without sales load. The maximum sales charge for the fund is 5.75%. Investors may be eligible for a reduction in sales charges.

# Highest Sharpe Ratio in 2017

Among all 1,200+ Open, Closed-End, and Exchange Traded Real Estate Funds in the Morningstar Universe

The average open, closed end, and exchange traded real estate fund generated a Sharpe Ratio of 1.51. TIPRX Sharpe Ratio was 10.12



In a recently published academic study, the authors\* concluded that the Sharpe Ratio remains among the most valuable metrics for evaluating returns as it “takes into account both reward and risk”.

—Bloomberg,  
November 23, 2016

\* Research by Marno Verbeek, PhD and Professor of Finance at Rotterdam School of Management (RSM) and the Dean of Research with a particular focus on mutual funds, hedge funds, asset pricing, investment strategies, and performance evaluation and by; Guillermo Baquero PhD and Associate Professor at ESMT European School of Management and Technology and the faculty lead of the Master's in Management Program.

**Source:** Morningstar Direct, annualized Sharpe Ratio, based on daily data from 2017. Using Morningstar data compiled by Bluerock Fund Advisor, LLC, TIPRX received the highest Sharpe Ratio among 1,259 open, closed end, and exchange traded funds in the global real estate sector equity category for the one year period ending 12/31/2017. TIPRX A Shares; no load. Sharpe Ratio and standard deviation are only two forms of performance measure. The Sharpe Ratio would have been lower if the calculation reflected the load. Additional fund performance details available at [bluerockfunds.com/performance](http://bluerockfunds.com/performance). Investors may be eligible to purchase Class A share without load. Please see the Fund Prospectus.

It is not possible to invest in an index. You cannot invest directly in an index and unmanaged indices do not reflect fees, expenses or sales charges. See slides 45-46 for a description of the risks and comparisons of the investment indexes selected. **Past performance is not a guarantee of future results.**

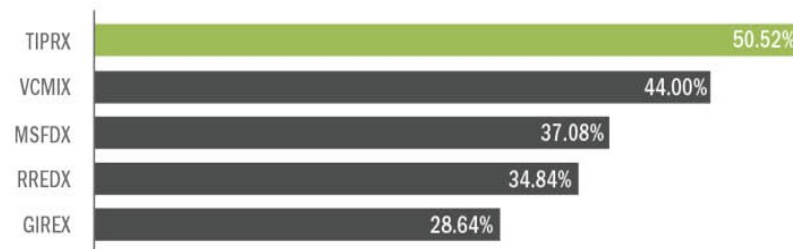


# TI+ Outperformed its Peers (Returns)

+ Hypothetical Growth of \$10,000 | Trailing 12 Months (1.1.17 - 12.31.17)



+ Total Cumulative Returns | Inception to Date (respective inception dates - 12.31.17)



Source: Morningstar Direct. See slides 43-44 for definitions and risks. Performance figures would be less favorable if the Fund's sales charges were considered. Investors may be eligible to purchase Class A share without load. Please see the Fund Prospectus. **Past performance is not a guarantee of future results.**

# TI+ Outperformed its Peers in 2017 on a Risk-Adjusted Basis

## + Volatility (as measured by annualized standard deviation)



## + Sharpe Ratio (a measure of risk-adjusted return, a higher number indicates more return per unit of volatility)



## + Sortino Ratio (a measure of downside risk-adjusted return, a higher number indicates more return per unit of downside volatility)



Source: Morningstar Direct. See slides 43-44 for definitions and risks. Performance figures would be less favorable if the Fund's sales charges were considered. Investors may be eligible to purchase Class A share without load. Please see the Fund Prospectus. **Past performance is not a guarantee of future results.**



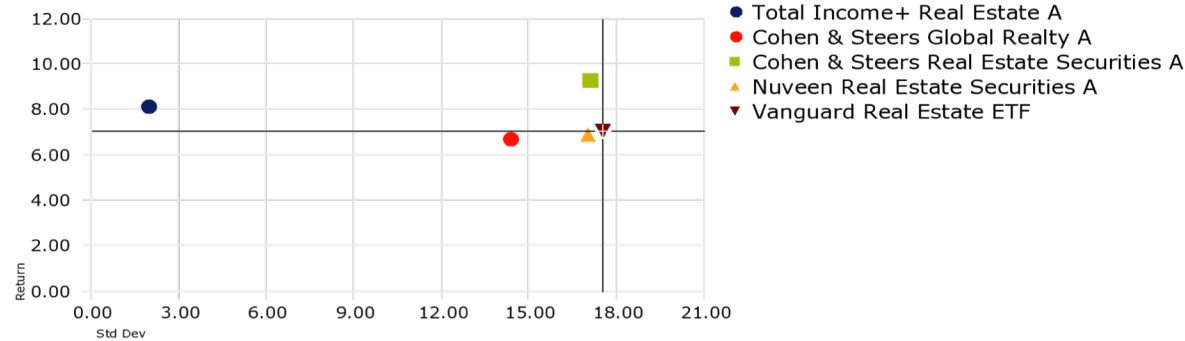
# TI+ Comparison to Other Public Real Estate Investment Programs

## TIPRX vs. Real Estate Funds



### Risk-Reward

Time Period: 10/23/2012 to 2/15/2018



### Risk

Time Period: 10/23/2012 to 1/31/2018 Calculation Benchmark: MSCI US REIT GR USD

	Return	Std Dev	Sharpe Ratio (geo)	Sortino Ratio (geo)
Total Income+ Real Estate A	8.18	1.98	5.86	9.60
Cohen & Steers Global Realty A	7.80	14.26	0.77	0.89
Cohen & Steers Real Estate Securities A	10.50	16.94	0.89	1.01
Vanguard Real Estate ETF	8.29	17.35	0.68	0.77
Nuveen Real Estate Securities A	8.04	16.85	0.68	0.77

Source: Morningstar Direct

**Source:** Morningstar Direct. See slides 43-44 for definitions and risks. Performance figures would be less favorable if the Fund's sales charges were considered. Investors may be eligible to purchase Class A share without load. Please see the Fund Prospectus. **Past performance is not a guarantee of future results.**



# TI+ Institutional Portfolio Holdings (iPERE Investments)

+ **\$160 Billion of Gross Asset Value**  
+ **2,600+ properties**

+ **92% Occupancy**  
+ **26% Weighted Average LTV**

TI + Fund iPERE Investments	Gross Asset Value (\$MM)	Number of Investments	Typical Minimum Investment	Average Investment Size (\$MM)	Occupancy	LTV	Inception Year
Morgan Stanley Prime Property Fund	\$23,052	364	\$5,000,000	\$63	93%	18%	1973
Clarion Lion Properties Fund	\$10,408	135	\$5,000,000	\$77	95%	24%	2000
Blackstone Property Partners	\$12,800	121	\$10,000,000	\$106	96%	49%	2014
Clarion Lion Industrial Trust	\$9,706	578	\$2,500,000	\$17	93%	35%	2002
Stockbridge Smart Markets Fund	\$2,023	55	\$5,000,000	\$37	95%	24%	2011
UBS Trumbull Property Growth & Income	\$985	23	\$5,000,000	\$43	85%	37%	2006
Principal Enhanced Property Fund	\$2,620	43	\$5,000,000	\$61	89%	37%	2004
RREEF America REIT II	\$12,421	100	\$5,000,000	\$124	90%	22%	1998
Prologis Targeted U.S. Logistics Fund	\$9,211	182	\$5,000,000	\$51	97%	23%	2004
Heitman America REIT LP	\$9,354	247	\$5,000,000	\$38	94%	24%	2007
Invesco Core Real Estate	\$12,070	92	\$5,000,000	\$131	95%	26%	2004
Sentinel Real Estate Fund	\$1,660	29	\$250,000	\$57	91%	30%	1976
JP Morgan US Real Estate Growth & Income	\$4,153	80	\$10,000,000	\$52	94%	34%	2002
PGIM PRISA I	\$24,400	269	\$5,000,000	\$91	92%	21%	1970
Invesco U.S. Income Fund	\$989	18	\$10,000,000	\$55	97%	35%	2013
Bentall Kennedy MEPT Edgemoor	\$9,200	90	\$5,000,000	\$102	94%	20%	2010
AEW Core Property Trust	\$8,121	69	\$5,000,000	\$118	96%	25%	2007
Blackrock U.S. Core Property Fund	\$2,500	31	\$1,000,000	\$81	94%	22%	1981
PGIM PRISA III	\$3,649	60	\$5,000,000	\$61	85%	44%	2003
Stockbridge Value Fund II	\$667	21	\$5,000,000	\$32	78%	54%	2014
RREEF Core Plus Industrial Fund	\$389	11	\$5,000,000	\$35	96%	28%	2017
<b>Totals / Averages</b>	<b>\$160,377</b>	<b>2,618</b>	<b>108,750,000</b>	<b>\$61</b>	<b>92%</b>	<b>26%</b>	<b>2001</b>

Portfolio holdings are subject to change at any time and should not be considered investment advice. Data as of 3Q 2017 based on allocations by the Fund on 12.31.2017. Diversification does not ensure profit.

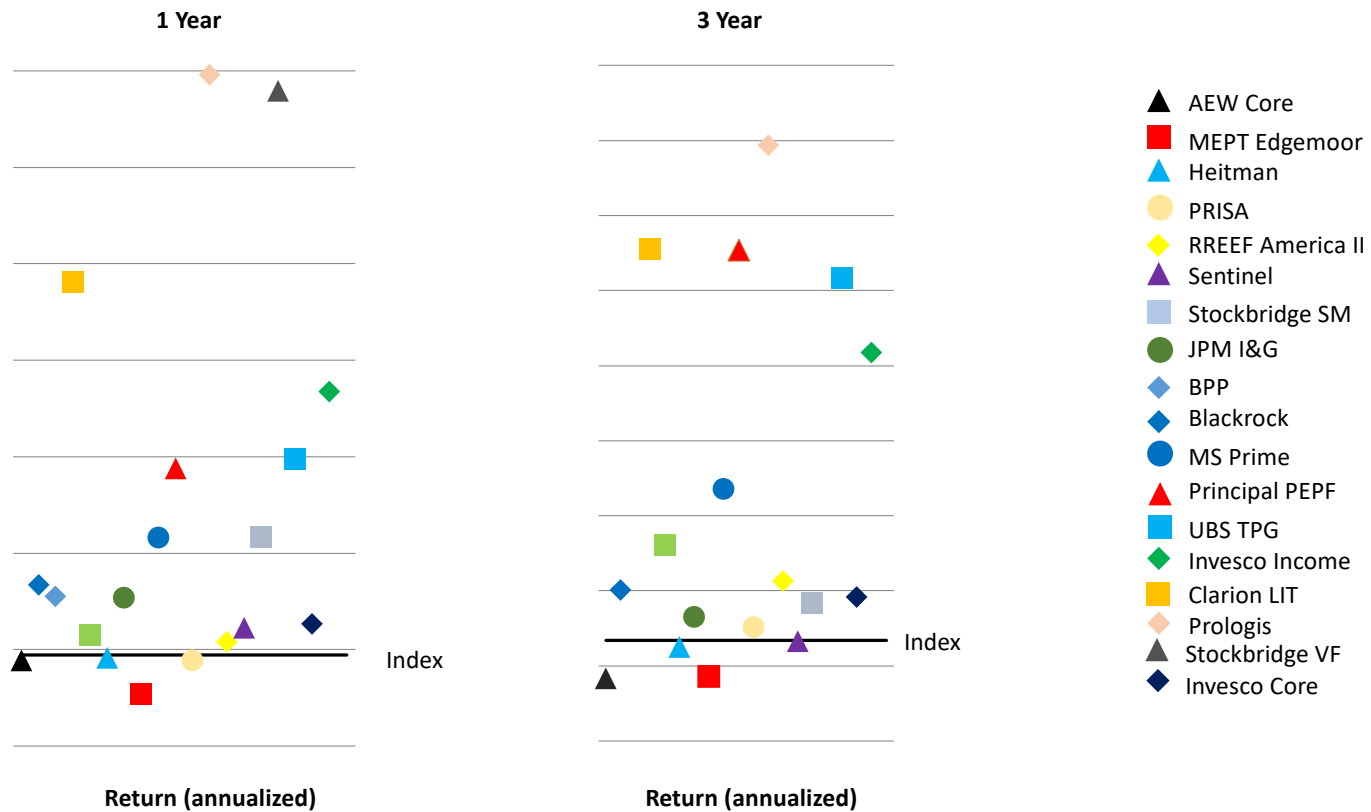
# Other Sample Investors of the Underlying Holdings

- + Allstate Investment Management
- + Blue Cross & Blue Shield Association
- + California State Teachers' Retirement System (CalSTRS)
- + Campbell Soup Company
- + Ford Pension Fund (US)
- + Florida State Board of Administration
- + General Electric Pension Trust
- + Guggenheim Real Estate
- + Illinois Municipal Retirement Fund
- + Indiana Public Retirement System
- + Nestlé USA Pension Plan
- + New Jersey State Investment Council
- + New York State Teachers' Retirement System (NYSTRS)
- + Ohio Police & Fire Pension Fund
- + Oklahoma Teachers Retirement System
- + Orange County Employees' Retirement System
- + Oregon State University Foundation
- + Pennsylvania Public School Employees' Retirement System
- + Seattle City Employees' Retirement System
- + Teacher Retirement System of Texas
- + Union Pacific Corporation Master Retirement Trust

**Source: Preqin.com, Freedom of Information Act**

*An investment in the Fund is suitable only for investors who can bear the risks associated with the limited liquidity of the shares and should be viewed as a long-term investment. Before making your investment decision, you should (i) consider the suitability of this investment with respect to your investment objectives and personal financial situation and (ii) consider factors such as your personal net worth, income, age, risk tolerance and liquidity needs. The organizations referenced above are not associated with or invested in Bluerock or the Total Income+ Real Estate Fund. The list includes a sampling of organizations that held investments in at least two of the underlying portfolio holdings as of the date published. A complete list is available upon request. These organization's investment holdings are subject to change at any time.*

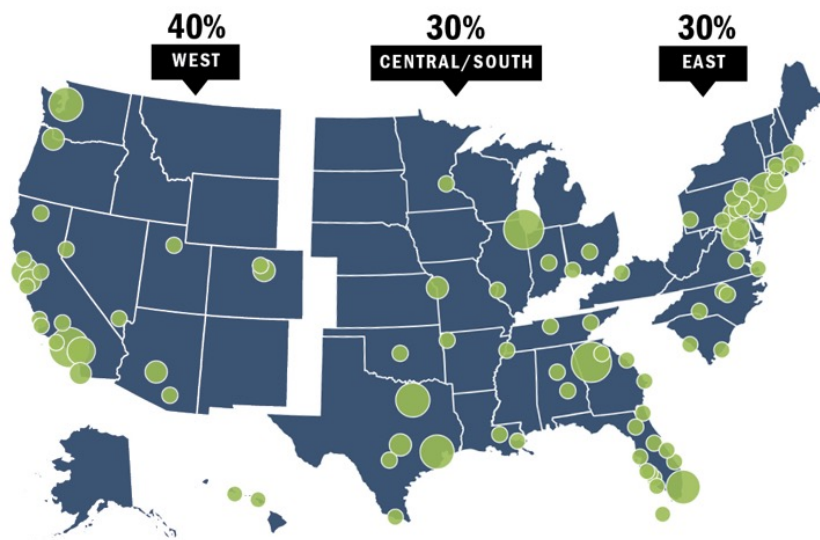
# Manager Selection Counts: 80% of TI+ Funds Exceeded Index Returns



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# Sector & Geographic Diversification

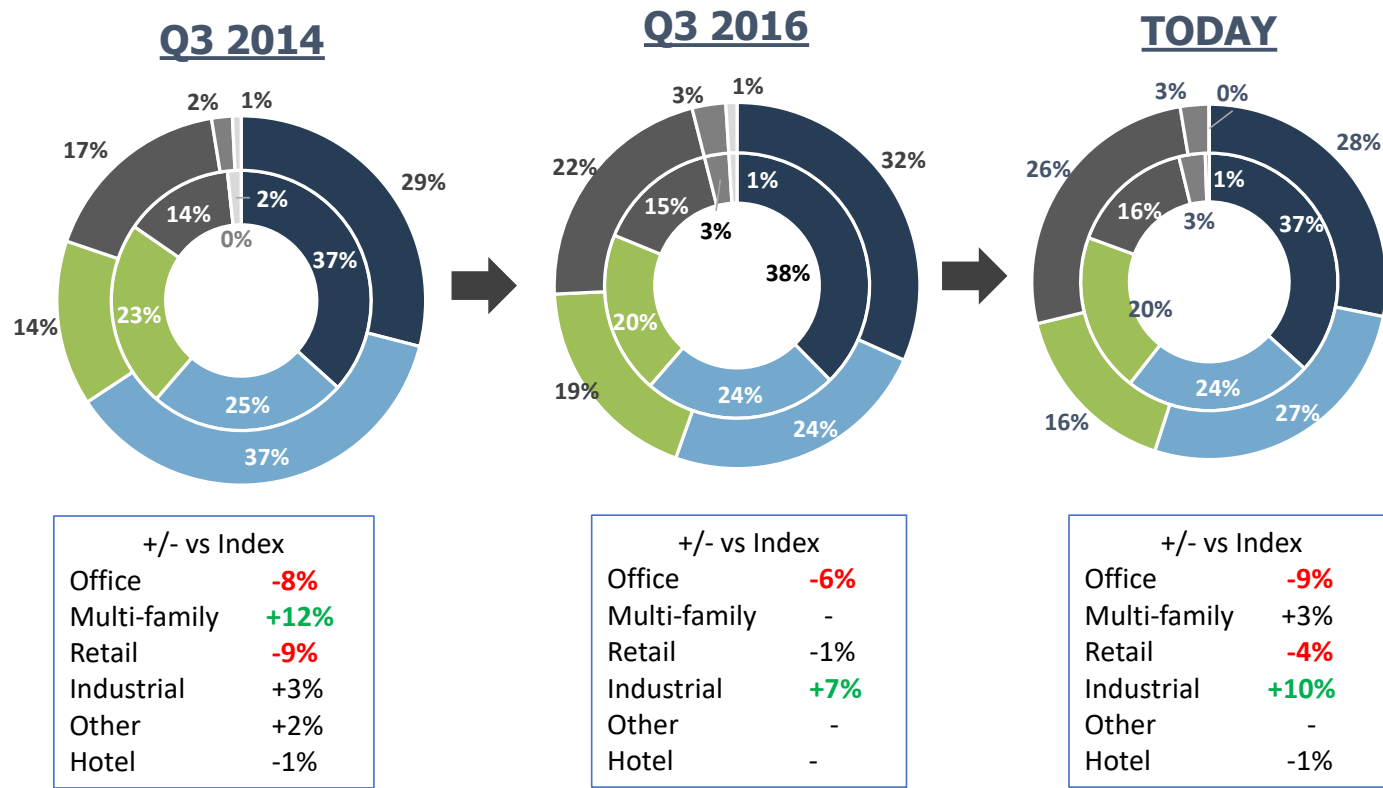


- **\$160 Billion** Gross Asset Value
- **2,600+** Properties

- **92%** Average Occupancy
- **26%** Weighted Average LTV

The regions and allocations presented above utilize 3Q2017 data from underlying iPERE investments and represent allocations by the Fund on 12.31.2017. This is a dynamic portfolio and allocations are subject to change at any time.

# TIPRX Diversification: Strategic Sector Weightings throughout Cycle



■ Office ■ Multifamily ■ Retail ■ Industrial ■ Other ■ Hotel

Portfolio holdings are subject to change at any time and should not be considered investment advice. Data as of 3Q 2017 based on allocations by the Fund on 12.31.2017. Diversification does not ensure profit.

# Summary of FUND FACTS

Symbol:	TIPRX (A share) TIPPX (C share) TIPWX (I share) TIPLX (L Share)
Minimum Investment	
+ Regular Accounts:	\$2,500
+ Retirement Accounts:	\$1,000
Distributions*:	Quarterly
Distribution Reinvestment:	Yes
NAV Pricing:	Daily
Repurchase Offer (Liquidation):	<b>Quarterly redemption of no less than 5% of total shares outstanding</b>
Early withdrawal charge:	<b>1% fee on shares repurchased within first year (C shares only)</b>

**“A 1940 Act closed-end interval fund provides access to alternative investments and is bought just like a mutual fund”**

#### Investor Account Types:

- Taxable Accounts
- Retirement Plans
- Managed Accounts
- Trusts
- Charitable Accounts
- Uniform Gift to Minor Accounts

#### Tax Reporting:

- 1099-DIV

\* The Fund intends to make a dividend distribution each quarter to its shareholders of the net investment income of the Fund after payment of Fund operating expenses. As portfolio and market conditions change, distributions may vary and yields may not be obtained in the future. Dividends are not guaranteed. The advisor has contractually agreed to waive its fees to 1.89%, 2.64%, 1.64%, and 2.14% for the A, C, I, and L shares respectively until February 1, 2018 for A, C, and I shares and until May 31, 2018 for L shares. Without the waiver, total annual operating expenses would be 2.25%, 3.01%, 2.02%, and 2.43% for the Class A, C, I, and L shares respectively.



**BLUEROCK  
RESIDENTIAL  
GROWTH REIT™**

# Redeemable Preferred Stock & Warrants

The security investment described herein relates solely to BRG's Series B Preferred Stock, a non-traded security of BRG which has not been listed on the NYSE MKT. The risks and rewards of investing in the Series B Preferred Shares are separate and distinct from an investment in BRG's common stock listed on the NYSE MKT. This is neither an offer to sell nor a solicitation of an offer to buy the securities described herein. An offering is made only by the prospectus. This sales and advertising literature must be read in conjunction with the prospectus in order to understand fully all of the implications and risks of the offering of securities to which it relates. A copy of the prospectus must be made available to you in connection with this offering. Neither the Attorney-General of the State of New York nor any other State regulators have passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.



**Russell Indexes**  
by Russell Investments

Included in both the  
**Russell 2000 & 3000 Indexes**

# About Bluerock Residential Growth REIT (NYSE:BRG)

- A publicly traded, **NYSE listed REIT**
- **Focus on attractive growth markets** throughout the U.S.

▪ **40%** institutional ownership (e.g. Blackrock Inc., Cohen & Steers, JP Morgan Asset Management, Vanguard Group, Inc.)

- **Low Leverage** – 54% total debt to total undepreciated assets<sup>1</sup>



**TIAA CREF**  
**J.P. Morgan** Asset Management  
**BLACKROCK**  
**Vanguard INVESTMENTS®**  
**COHEN & STEERS**

**There can be no assurance that any investment strategy will achieve its objectives, generate profits or avoid losses.** The security investment described herein relates solely to BRG’s Series B Preferred Stock, a non-traded security of BRG which has not been listed on the NYSE MKT. The risks and rewards of investing in the Series B Preferred Shares are separate and distinct from an investment in BRG’s common stock listed on the NYSE MKT.

<sup>1</sup> Source: BRG Q4 2017 Earnings Supplement





# Fundamental Strength of BRG

**\$1.69 Billion**  
In Assets Under Management\*



**12,400+**  
Class A Apartment Units\*



**94%**  
Occupancy\*\*



PARK & KINGSTON • CHARLOTTE, NC; 96% Ownership



ARIUM PINE LAKES • PORT ST. LUCIE, FL; 85% Ownership



ROSWELL CITY WALK • ROSWELL, GA; 98% Ownership

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\*Q1 2018 estimates

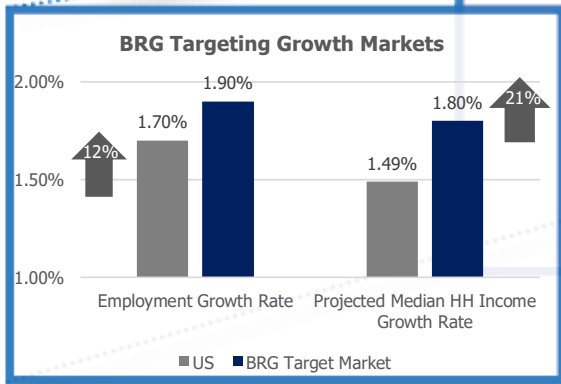
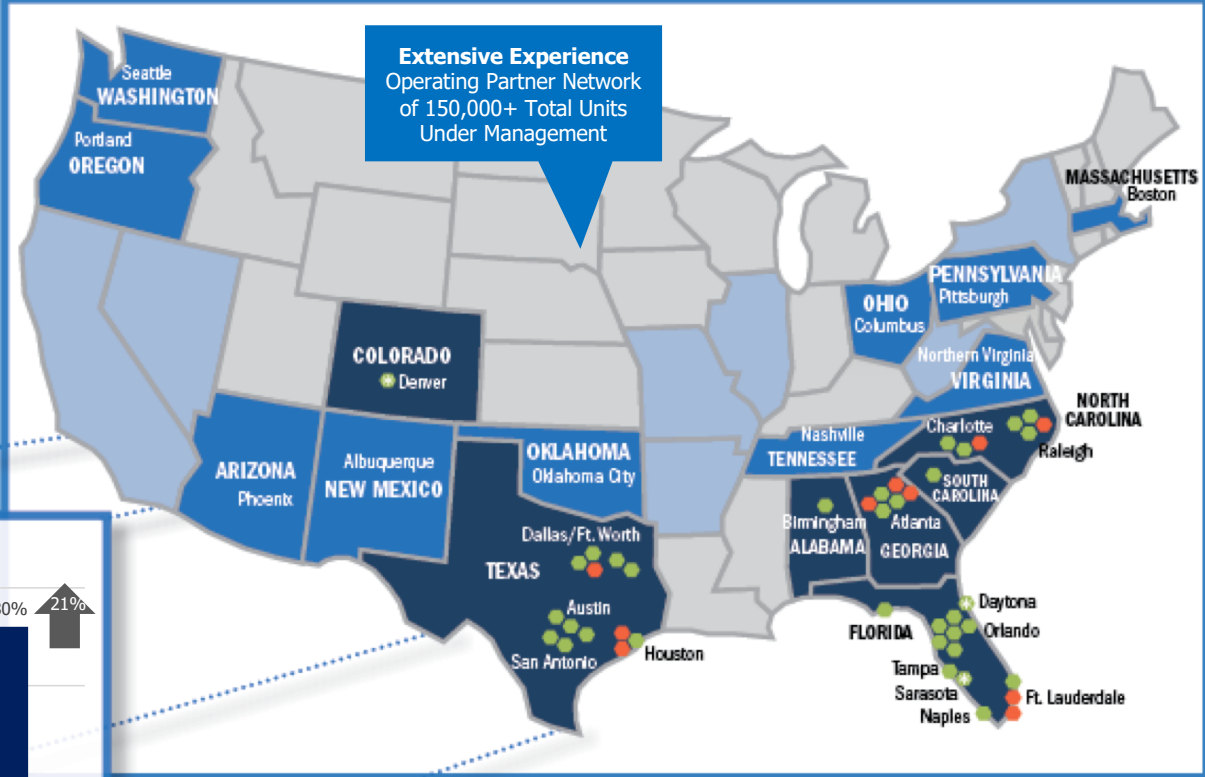
\*\*Represents operating properties; excludes in-development properties



# BRG Building a Class A Portfolio in Growth Markets Using the Partner Network

## Acquiring properties in markets with strong renter characteristics:

- Younger / more educated demographic with higher disposable income
- Targeting locations with high growth sector industries / jobs of the future (e.g. healthcare, technology)
- High Quality of Life markets driving population growth / retention



**Bluerock Selected Partners**

PARTNER	UNITS
BELL PROPERTIES	58,000
CWS CAPITAL PARTNERS	26,000
CARROLL	20,000
TRAMMELL CROW	15,750

AS OF JANUARY 2018

- Operating Properties
- Development Properties
- Under Contract
- Existing BRG Markets
- Target BRG Markets
- Additional Partner Markets

# Bluerock's Apartment Full-Cycle Track Record (12.31.2017)



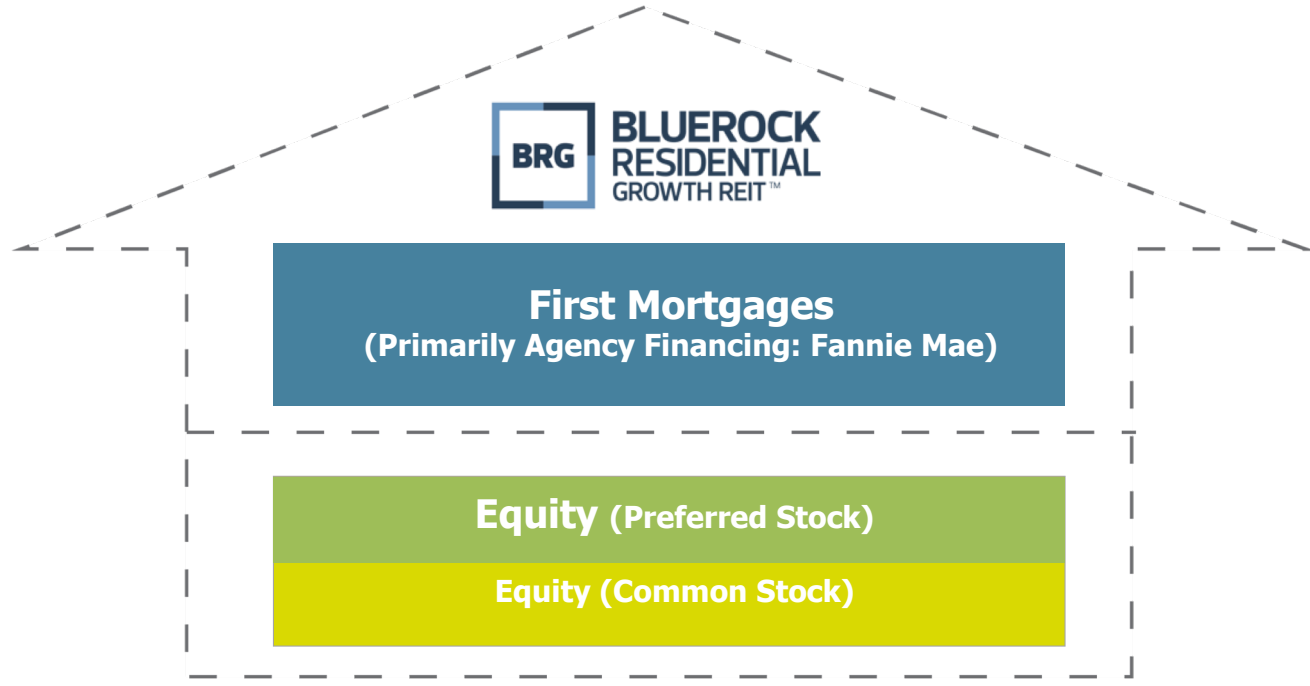
- **27** Full Cycle Apartment Properties
- **43 month** average hold period
- **6,723** Units
- **\$740+ Million** Total Acquisition Cost
- **\$908+ Million** in Total Realized Sale Value
- **19.7%** average IRR\*



*Includes all full cycle apartment properties owned by Bluerock a Bluerock affiliate and /or BRG, and are being presented as examples of the type of properties intended to be acquired by the BRG.*

\* Internal Rate of Return ("IRR") is the discount rate that makes the net present value of all cash flows from the project equal to zero and considers cash flow and sale proceeds as part of an investment total return. The Net IRR considers all applicable sponsor and project-level fees and expenses; excluding up-front sales and distribution charges. In some or all cases, actual Investor returns may not be indicative of the Net IRR of the individual project.

# Understanding BRG's Capital Structure



For illustrative purposes only. Not to scale.

Source: U.S. Census Bureau, New Residential Construction Data

# Understanding the Strategy & Structure of BRG Redeemable Preferred Series B



BRG is a publicly traded NYSE listed REIT offering non-traded preferred stock with the following features and benefits:

- **Senior Position**  
to Common Stock

- **6% Annual Dividend**  
Paid Monthly

- **Institutional / Investor-Focused**  
**Fee Structure**

- **Equity Appreciation Potential**  
with included BRG Warrant

- **Full Stated Price/Value**  
on Account Statements

- **Liquidity**  
Shareholder Options\*

\* See Restrictions in Prospectus; Risks on slides 3-4, Definitions on slide 32. Immediate redemption upon death at written request to Company.

*There can be no assurance that any investment strategy will achieve its objectives, generate profits or avoid losses. The security investment described herein relates solely to BRG's Series B Preferred Stock, a non-traded security of BRG which has not been listed on the NYSE MKT. The risks and rewards of investing in the Series B Preferred Shares are separate and distinct from an investment in BRG's common stock listed on the NYSE MKT.*

# BRG's Institutional Fee Structure Compared to NT-REITs



- BRG is self-administered, thus does not assess fees associated with most NT REITs
- This structure is expected to lead to lower overall costs and improved performance

Description	BRG	Sample NT REIT*
Management Fee	NONE	YES (1.25%-2.0%)
Acquisition Fees and Expenses	NONE	YES (4.5%-6.5%)
Property Management Fee	NONE	YES (0.0%-0.84%)
Disposition Fee	NONE	YES (3%-6%)

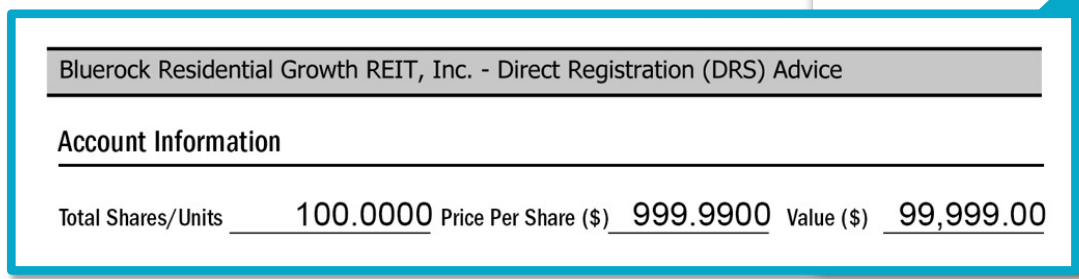
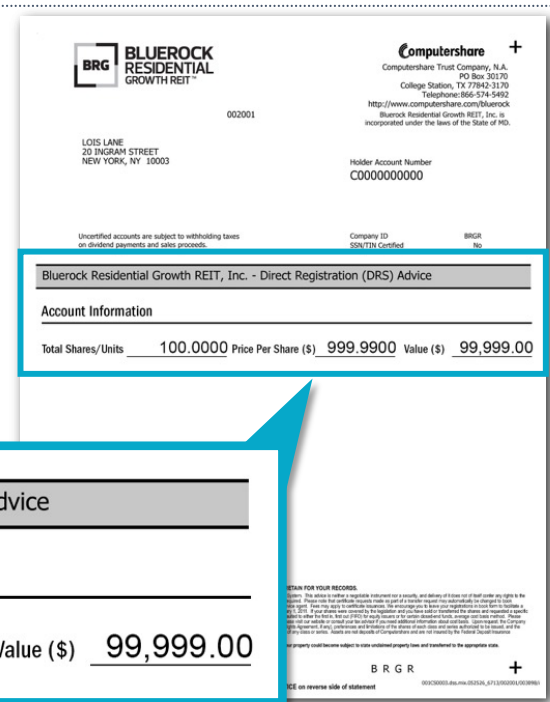
\* Information obtained from Summit Investment Research (Jan 2017) which includes select top selling Non-listed REITs. Fees calculated as a percentage of gross equity. Disposition fee data from select top selling non-listed REITs Prospectuses.

**Summary of Fees and Expenses:** Subject to an early redemption by a Series B shareholder, BRG common shareholders, and not Series B preferred shareholders, will be subject to the following fees and expenses as part of the Offering: selling commissions, dealer manager fee, and other offering expenses. In addition, our advisor or its affiliates may be entitled to receive a base management fee, incentive fee, expense reimbursement, termination fee. Please see the Prospectus for a complete listing of all Fees and Expenses related to the Offering.



# Full Stated Value of Investment on Account Statement

- **Institutional / Investor-Focused Fee Structure:**
  - 100% of front-end load is paid by the common equity; not the preferred shareholders, if held > 5 years, or if called by BRG
- **No Price Volatility as Preferred Stock Reported at \$1,000 Per Share Stated Value** on account statement during hold period\*



**Summary of Fees and Expenses:** Subject to an early redemption by a Series B shareholder, BRG common shareholders, and not Series B preferred shareholders, will be subject to the following fees and expenses as part of the Offering: selling commissions, dealer manager fee, and other offering expenses. In addition, our advisor or its affiliates may be entitled to receive a base management fee, incentive fee, expense reimbursement, termination fee. Please see the Prospectus for a complete listing of all Fees and Expenses related to the Offering.



# Analyst Coverage Summary

The following is a summary of the third-party analyst coverage of Bluerock Residential Growth REIT (NYSE MKT: BRG)

Analyst	Date Issued	Buy Sell	Price Target	NAV Estimate	NAV Cap Rate
 NATIONAL SECURITIES	2/20/2018	Buy	\$11.00	\$11.36	6.75%
 DAVIDSON TRUST COMPANY	2/15/2018	Buy	\$10.00	\$14.51	—
 NORTHLAND CAPITAL MARKETS	2/5/2018	Outperform	\$13.00	\$13.25	5.50%
 Janney	12/21/2017	Neutral	\$11.00	—	—
 JMP	11/20/2017	Buy	\$14.00	\$13.58	5.40%
 B RILEY FBR	11/8/2017	Buy	\$14.00	\$14.26	5.50%
 COMPASS POINT RESEARCH & TRADING, LLC	8/7/2017	Neutral	\$11.00	\$14.10	5.80%
<b>Average</b>	<b>Buy/Outperform/Neutral</b>		<b>\$12.00</b>	<b>\$13.51</b>	<b>5.79%</b>

There can be no assurance that any investment strategy will achieve its objectives, generate profits or avoid losses.

The above information was obtained directly from the independent third-party companies listed herein and is believed to be reliable but has not been independently verified by BRG. The companies listed herein are not affiliated with BRG. The summary only includes analyst coverage reports obtained as of the date listed herein. BRG undertakes no obligation to update or revise any such information for any reason after the date, unless required by law.



# Liquidity Options

- Liquidity is not contingent upon a portfolio liquidation or IPO listing event as BRG is already a publicly listed REIT
- BRG Preferred has **TWO liquidity features built in** without being contingent on a listing / sale or merger\*
  1. Redeemable by Investor based on the following schedule:



2. Redeemable by BRG after two years at full Stated Value



\* See Restrictions in Prospectus; Risks on slides 3-4, Definitions on slide 33. Immediate redemption upon death at written request to Company. Under Maryland law, redemption may be prohibited if BRG is insolvent. If we experience significant liquidity problems, we may not be able to fulfill our obligation to redeem Series B preferred stock when submitted for redemption. Redemptions may be paid in cash or in equal value of shares of the Company's Class A Common Stock at the discretion of the Company. Holder's estate may redeem for Stated Value if holder dies during first two years following date of issuance. Redemption price includes an amount equal to any accrued but unpaid dividends.

# Fact Sheet

## Offering Type: Investment Units

1 share of series B Redeemable Preferred Stock plus  
1 Warrant exercisable for 20 shares of Class A  
Common stock.

**Offering Size:** \$435,000,000 maximum

**Price per Unit:** \$1,000 stated value  
(\$5,000 minimum investment)

### Series B Redeemable Preferred Stock Terms

**6% Annual Dividend** rate paid monthly\*

**Stated Value:** \$1,000 per share initially.

**Immediate Redemption** as follows\*\*:

- Upon issuance, for Stated Value, less a 13% redemption fee;
- After 1 year, for Stated Value, less a 10% redemption fee;
- After 3 years, for Stated Value, less a 5% redemption fee;
- After 4 years, for Stated Value, less a 3% redemption fee; and
- After 5 years, for Stated Value.

**Redemptions:** After 2 years, BRG may redeem for Stated Value.

### Common Stock Warrant Terms

**Exercisability:** Commencing 1 year following and ending 4 years from date of issuance.

**Strike Price:** Per Share, 120% of the price of BRG Class A common stock at time of issuance (based on 20 prior trading days volume weighted average price, subject to a minimum strike price of \$10.00 per share).

**Conversion Ratio:** 20 shares per Warrant.

### Warrants Provide Potential Equity Appreciation

component for a total return greater than the 6% dividend

- \* There is no guarantee that future dividends will be declared and paid on the Series B Redeemable Preferred Stock; however, dividends on the Series B Redeemable Preferred Stock will accrue if not actually declared and paid. Dividends have been paid on our Class A and Class B common stock since May 5, 2014 through the quarter ended September 30, 2017. To date, such dividends have been declared quarterly and paid on a monthly basis at a quarterly rate of \$0.29 per share. From May 5, 2014 through September 30, 2017, we have paid total common stock dividends, including dividends reinvested through our dividend reinvestment plan, of \$72,398,529, of which on a cumulative basis, approximately 27% of which were paid from sources other than cash flows from operations, including from the proceeds of our equity offerings. In addition, the Company has issued Series A preferred stock, Series B preferred stock, Series C preferred stock and Series D preferred stock. The Series A preferred stock carries an 8.25% stated dividend rate, the Series B preferred stock carries a 6.00% stated dividend rate, the Series C preferred stock carries a 7.625% stated dividend rate and the Series D preferred stock carries a 7.125% stated dividend rate. From May 5, 2014 through September 30, 2017, we have paid total preferred stock dividends of \$28,214,582, all of which were paid from cash flows from operations.

\*\* Under Maryland law, redemption may be prohibited if BRG is insolvent. If we experience significant liquidity problems, we may not be able to fulfill our obligation to redeem Series B preferred stock when submitted for redemption. Redemptions may be paid in cash or in equal value of shares of the Company's Class A Common Stock at the discretion of the Company. Holder's estate may redeem for Stated Value if holder dies during first two years following date of issuance. Redemption price includes an amount equal to any accrued but unpaid dividends.



# **BLUEROCK** Value Exchange™

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# About BVEX

## About

- **National sponsor** of syndicated 1031 Exchange offerings
- **Focus on Class A properties** that seek to deliver stable cash flows and potential for **value creation**
- **\$1+ billion** in prior structure 1031 programs
- **7+ million** square feet of property
- **Capacity across** nearly all real estate sectors

- **The ability to customize** transactions for individual investors
- **Available to create programs** to accommodate a wide range of tax requirements

### Bluerock's 1031 programs (DST) offer :

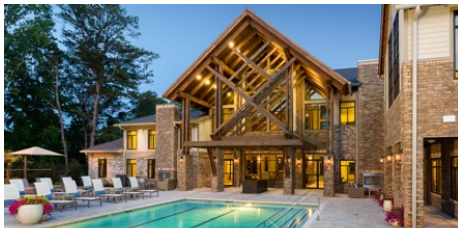
- Targeted attractive current distribution rates
- Passive ownership
- Tax reporting
- Professional asset management services
- Comprehensive investor communication and reporting
- Potential tax deferral as a result of depreciation
- Long-term appreciation potential

# Sample Properties

**Glenwood** | Atlanta, GA | Dec 2017 | \$55.4 Million



**Grand Dominion** | San Antonio, TX  
Sept 2017 | \$38.8 Million



**Big Creek** | Alpharetta, GA  
Dec 2016 | \$84.5 Million



**Riverside** | Jacksonville, FL  
June 2016 | \$64.1 Million



**Four Corners** | Orlando, FL | Feb 2016 | \$38.8 Million

*The properties pictured are owned by the represented 1031 exchange programs listed herein and are included as examples of the type of properties intended to be sponsored by Bluerock programs in the future.*





## BR GRAND AT WESTSIDE DST

AVAILABLE FOR §1031 EXCHANGE & DIRECT INVESTMENT

**FOR ACCREDITED INVESTORS ONLY.** This is neither an offer to sell nor a solicitation of an offer to buy securities described herein. An offering is made only by the Confidential Private Placement Memorandum (the "Memorandum"). This sale and advertising literature must be read in conjunction with the Memorandum in order to understand fully all of the implications and risks of the offering to which it relates. A copy of the Memorandum must be made available to you in connection with this offering. Prospective investors should carefully read the Memorandum and review any additional information they desire prior to making an investment and should be able to bear the complete loss of their investment.



# Property Amenities



FITNESS CENTER



OUTDOOR KITCHEN



RESORT-STYLE SWIMMING POOL



PUTTING GREEN



OUTDOOR GRILLING AREA

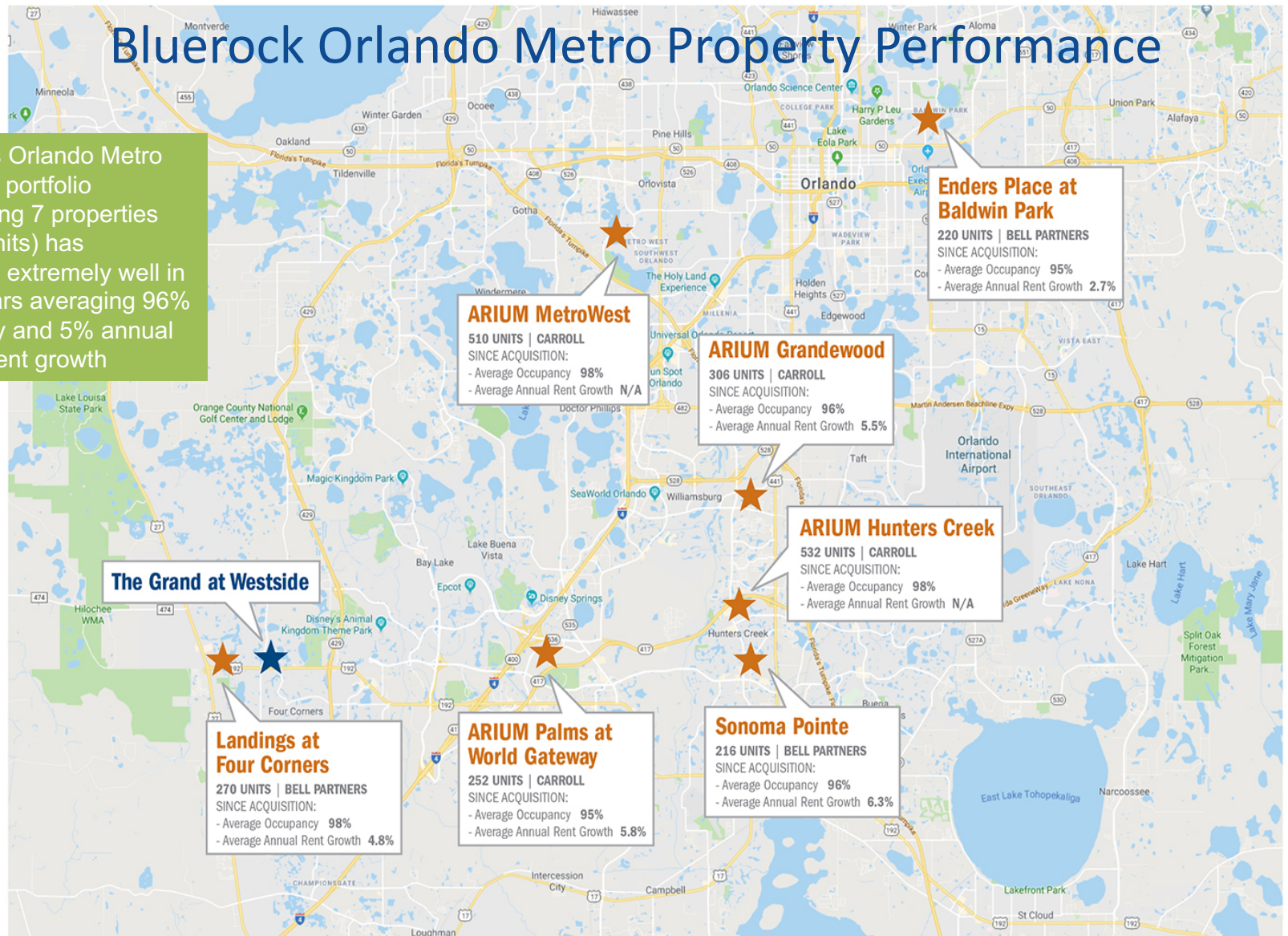
## Other Amenities

- Yoga/Spin Room
- Fire Pit
- Kids Play Room
- Media Center
- Pet Park
- Tot Lot

Investors are purchasing interests in this pictured property

# Bluerock Orlando Metro Property Performance

Bluerock's Orlando Metro apartment portfolio representing 7 properties (2,300+ units) has performed extremely well in recent years averaging 96% occupancy and 5% annual effective rent growth





# Offering Overview

- **Minimum Investment:** **\$100,000**
- **Estimated Debt Assumption:** **\$125,124**

Highlight	Description
<b>Total Purchase Price:</b>	\$74,444,763
<b>Equity Offering Amount:</b>	\$32,883,763
<b>Loan Amount:</b>	\$41,561,000
<b>Loan Terms:</b>	55.58% LTC, 10-yr Term, 4.47% Fixed Interest Rate, 5-yrs Interest Only
<b>Purchase Price Per Unit:<sup>1</sup></b>	\$218,930
<b>Projected Hold Period:</b>	Approx. 7-10 years
<b>Current Cash Flow:</b>	5.00% annual rate; paid monthly (“Additional Rent”); and 90% of revenues above breakpoint; paid annually <sup>2</sup>

1. Figure represents initial Trust purchase price, offering fees and expenses; excluding Loan Escrow Trust and Trust Reserves.

2. There is no guarantee investors will receive distributions or their return of capital. See “Risk Factors” and “Master Lease” sections in the Memorandum. Pursuant to the Master Lease, the current cash flow is comprised of: (i) Additional Rent, if attained, of 5.00% per annum paid on a monthly basis; and (ii) an amount equal to 90% of the amount by which annual gross revenues exceed the Supplemental Rent Breakpoint, paid on an annual basis.



# Definitions

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**Annualized Standard Deviation:** The standard deviation of the daily percentage change in an investment multiplied by the square root of the number of trading days in the period. Standard deviation shows how much variation from the average exists with a larger number indicating the data points are more spread out over a larger range of values.

**Sharpe Ratio:** Measurement of the risk-adjusted performance. The annualized Sharpe ratio is calculated by subtracting the annualized risk-free rate - (3-month Treasury Bill) - from the annualized rate of return for a portfolio and dividing the result by the annualized standard deviation of the portfolio returns. You cannot invest directly in an index. Benchmark performance should not be considered reflective of Fund performance.

**S&P 500:** 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 (Investopedia). Risks include the dynamic fluctuations of the market and possible loss of principal.

**MSCI US REIT Index (Public REITs):** A free float-adjusted market capitalization weighted index comprised of equity REITs that are included in the MSCI US Investable Market 2500 Index, with the exception of specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The index represents approximately 85% of the US REIT universe ([www.msci.com](http://www.msci.com)). Returns shown are for informational purposes and do not reflect those of the Fund. You cannot invest directly in an index and unmanaged indices do not reflect fees, expenses or sales charges. Risks include rising interest rates or other economic factors that may negatively affect the value of the underlying real estate.

**Alpha:** A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

## Definitions cont'd

**The Barclays U.S. Aggregate Bond Index:** measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year. Risks include rising interest rates, credit quality of the issuers and general economic conditions.

**U.S. Treasury Bond:** A debt obligation issued by the United States government that matures in 10 years. A 10-year Treasury note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity. An advantage of investing in 10-year Treasury notes, and other federal government securities, is that the interest payments are exempt from state and local income tax. However, they are still taxable at the federal level. U.S. Treasury Bonds are a low risk investment whose values are subject to rising interest rates.

**iPERE/NCREIF Property Index (NPI):** Institutional private equity real estate (iPERE) can be described as high-quality commercial properties that are usually congregated in large investment portfolios managed professionally on behalf of third-party owners or beneficiaries. The leading benchmark index for iPERE is the National Council of Real Estate Investment Fiduciaries Price Index (NPI) which represents a collection of 7,000+ institutional properties representing all major commercial property types within the U.S. The NPI is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. All properties in the NPI have been acquired, at least in part, on behalf of tax-exempt institutional investors - the great majority being pension funds. As such, all properties are held in a fiduciary environment.

**NAREIT All Equity Return:** The FTSE NAREIT US Real Estate Index Series is designed to present investors with a comprehensive family of REIT performance indexes that span the commercial real estate space across the US economy, offering exposure to all investment and property sectors. The FTSE NAREIT All Equity REITs index contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

**Line of Credit:** the amount of credit extended to a borrower.

**Maximum Drawdown:** the maximum loss from a peak to a trough of a portfolio, before a new peak is attained.

**Up Period %:** The percentage of periods that the investment total return was 0 or greater.

# Forward-Looking Statements

The information in this presentation has been prepared solely for informational purposes by Bluerock Residential Growth REIT, Inc. ("BRG") and does not constitute an offer to sell or the solicitation of an offer to purchase any securities. This presentation is not, and should not be assumed to be, complete. This presentation has been prepared to assist interested parties in making their own evaluation of BRG and does not purport to contain all of the information that may be relevant. In all cases, interested parties should conduct their own investigation and analysis of BRG and the data set forth in this presentation and other information provided by or on behalf of BRG. In addition, certain of the information contained herein may be derived from information provided by industry sources. BRG believes that such information is accurate and that the sources from which it has been obtained are reliable. BRG cannot guarantee the accuracy of such information, however, and has not independently verified such information. The information presented herein remains subject to change. Statements in this presentation are made as of the date of this presentation unless stated otherwise.

This presentation also contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements." Forward-looking statements are typically identified by the use of terms such as "may," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology. The forward-looking statements included herein are based upon BRG's current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing 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 predict accurately and many of which are beyond BRG's control. Although BRG believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, BRG's actual results and performance and the value of its securities could differ materially from those set forth in the forward-looking statements due to the impact of many factors including, but not limited to, the uncertainties of real estate development, acquisition and disposition activity, the ability of our joint venture partners to satisfy their obligations, the costs and availability of financing, the effects of local economic and market conditions, the effects of acquisitions and dispositions, the impact of newly adopted accounting principles on BRG's accounting policies and on period-to-period comparisons of financial results, regulatory changes and other risks and uncertainties detailed in the "Risk Factors" in Item 1.A. Risk Factors section of the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 4, 2015, and other discussions of risk factors contained in BRG's periodic filings. BRG claims the safe harbor protection for forward looking statements contained in the Private Securities Litigation Reform Act of 1995. BRG undertakes no obligation to update or revise any such information for any reason after the date of this presentation, unless required by law.

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# Risk Factors

**An investment in Bluerock Residential Growth REIT, Inc. ("BRG") involves a high degree of risk. You should purchase our securities only if you can afford a complete loss of your investment.** See the "Risk Factors" sections of the Prospectus Supplement and the accompanying Prospectus for a discussion of material risks related to an investment in our Series B Redeemable Preferred Stock and Warrants, which include, but are not limited to, the following:

- There is limited liquidity and no public market for the Series B Redeemable Preferred Stock or Warrants and we do not intend to list them on a securities exchange.
- If our Class A common stock is no longer listed on the NYSE MKT or another national securities exchange, we would be required to terminate the offering and could result in our raising gross proceeds substantially less than if the maximum offering is sold.
- Dividends have been paid on our Class A and Class B common stock since May 5, 2014 through the quarter ended September 30, 2017. To date, such dividends have been declared quarterly and paid on a monthly basis at a quarterly rate of \$0.29 per share. From May 5, 2014 through September 30, 2017, we have paid total common stock dividends, including dividends reinvested through our dividend reinvestment plan, of \$72,398,529, of which on a cumulative basis, approximately 27% of which were paid from sources other than cash flows from operations, including from the proceeds of our equity offerings. In addition, the Company has issued Series A preferred stock, Series B preferred stock, Series C preferred stock and Series D preferred stock. The Series A preferred stock carries an 8.25% stated dividend rate, the Series B preferred stock carries a 6.00% stated dividend rate, the Series C preferred stock carries a 7.625% stated dividend rate and the Series D preferred stock carries a 7.125% stated dividend rate. From May 5, 2014 through September 30, 2017, we have paid total preferred stock dividends of \$28,214,582, all of which were paid from cash flows from operations.
- Distributions paid from sources other than cash flow or funds from operations may constitute a return of capital and reduce investor returns. Rates of distribution to you may not be indicative of our operating results.
- We make no guarantee that we will make distributions.
- We established the offering price for the Units pursuant to negotiations among us and our affiliated dealer manager. As a result, the actual value of your investment may be substantially less than what you pay.
- Our manager has broad discretion over the use of proceeds from the offering of the Series B Redeemable Preferred Stock and Warrants, and investors will not be able to evaluate the economic or other merits of our investments made with such proceeds prior to our making them.
- We are dependent on our external manager to select investments and conduct our operations and adverse changes in the financial condition of our manager or our relationship with our manager could adversely affect us and our stockholders.

# Risk Factors (cont'd)

- There are substantial conflicts of interest between us and our manager and other affiliates, including conflicts arising out of allocation of personnel to our activities, allocation of investment opportunities between us and investment vehicles of our affiliates, the purchase or sale of apartment properties, and fee arrangements with our manager that might induce our manager to make investment decisions that are not in the best interests of our stockholders.
- Upon the sale of any individual property, holders of Series B Redeemable Preferred Stock do not have a priority over holders of our common stock regarding return of capital.
- Our charter contains various restrictions on the ownership and transfer of our securities.
- After three years from the date of original issuance, we will be able to redeem the outstanding shares of Series B Redeemable Preferred Stock, without your consent, at 100% of the Stated Value per share, plus any accrued and unpaid dividends.
- If we experience significant liquidity problems, we may not be able to fulfill our obligation to redeem Series B preferred stock when submitted for redemption.
- Maintenance of our exemption from registration under the Investment Company Act of 1940 and our REIT qualification impose significant limitations on our operations.
- Holders of the Series B Redeemable Preferred Stock will have no voting rights or control over changes in our policies and operations. Our board of directors may approve changes to our policies without your approval.
- Our qualification as a REIT depends upon our satisfaction of numerous regulatory limitations and qualifications.
- We may fail to maintain our qualification as a REIT, which would result in higher taxes for us and reduced cash available for distribution to our stockholders.

BRG has filed a registration statement on Form S-3 (the "Registration Statement") with the Securities and Exchange Commission (the "SEC"), including a prospectus (the "Prospectus"), with respect to the securities we may offer and sell from time to time, and has further filed with the SEC a prospectus supplement relating to the offering of the Series B Redeemable Preferred Stock and the Warrants (the "Prospectus Supplement"). A copy of the Prospectus Supplement and the accompanying Prospectus must be made available to you in connection with the offering of the Series B Redeemable Preferred Stock and the Warrants, and must be read in conjunction with these materials in order fully understand the risks of an investment in the offering.

# About 1031 Exchanges

Section 1031 of the Internal Revenue Code ("Section 1031") provides that no gain or loss shall be recognized on the exchange of property held for productive use in a trade or business, or for investment. A tax-deferred exchange is a method by which a property owner trades one or more relinquished properties for one or more replacement properties of "like-kind", while deferring the payment of federal income taxes and some state taxes on the transaction.

There are numerous Section 1031 rules and requirements including, but not limited to: seller cannot receive or control the net sales proceeds, replacement property must be like-kind to the relinquished property, the replacement property must be identified within 45 days from the sale of the property, the identification rules are complex, the replacement property must be acquired within 180 days from the sale of the original property, and the attributed debt placed or assumed on the property must be equal or greater than the attributed debt of the relinquished property to avoid boot.



# Risk Factors

**The securities offered herein are highly speculative and involve substantial risks including, but not limited to the following: Do not acquire an Interest if you cannot afford to lose your entire investment. Carefully consider the risks described below, as well as the other information in the Memorandum before making a decision to purchase an Interest. Consult with your legal, tax and financial advisors about an investment in an interest. The risks described below are not the only risks that may affect an investment in an Interest. Additional risks and uncertainties that we do not presently know or have not identified may also materially and adversely affect the value of an Interest, the Property or the performance of your investment. The risks of purchasing an Interest include, but are not limited to, the following:**

- This is a “best-efforts” offering with no minimum raise or minimum escrow requirements;
- The lack of liquidity of the Interests;
- The holding of a Beneficial Interest in the Trust with very limited voting rights with respect to the management or operations of the Trust or in connection with the sale of the Property;
- Owning, financing, operating and leasing a multifamily apartment complex and real estate generally in or near Orlando, Florida;
- Risks associated with owning, financing, operating and leasing a multifamily apartment complex and real estate generally in Orlando, Florida;

## Risk Factors (cont'd)

- Those incident to the ownership of real property, including changes in national and local economic conditions, changes in the investment climate for real estate investments, changes in the demand for or supply of competing properties, changes in local market conditions and neighborhood characteristics, the availability and cost of mortgage funds, the obligation to meet fixed and maturing obligations (if any), unanticipated holding costs, the availability and cost of necessary utilities and services, changes in real estate tax rates and other operating expenses, changes in governmental rules and fiscal policies, changes in zoning and other land use regulations, environmental controls, acts of God (which may result in uninsured losses) and other factors beyond the control of the Trust;
- Performance of the Master Tenant under the Master Lease; The projected cash flow is speculative and based on certain assumptions including maintaining certain occupancy levels and certain net rental rates;
- There is no assurance that the property can achieve or maintain the occupancy level or rate increases anticipated. If assumptions are not correct, anticipated results will not be achieved and the rate of return may be lower than that projected;
- Reliance on the Master Tenant, the Property Manager engaged by the Master Tenant, and the Property Sub-Manager subcontracted by the Property Manager to manage the Property; risks associated with the Sponsor funding the demand note that capitalizes the Master Tenant; risks relating to the terms of the financing for the Property and the use of leverage which presents an additional element of risk in the event that the cash receipts from the operation of the Property are insufficient to meet the principal and interest payments on such indebtedness. In order to comply with tax requirements for Section 1031 exchanges, the Trust is not permitted to obtain new financing and Purchasers of Interests are not permitted to make additional capital contributions to the Trust. Thus, if the cash flow from the Property is insufficient to allow the Master Tenant to make the required payments under the Master Lease, including payments required to service the Loan, the Lender may foreclose on the Property and the Purchasers' equity in the Property may be reduced or lost entirely;

## Risk Factors (cont'd)

- Acquisition of the Interests may not qualify as a Section 1031 exchange and depends on the specific facts involved, including, without limitation, the nature and use of the relinquished property and the method of its disposition, the use of a qualified intermediary and a qualified exchange escrow and the lapse of time between the sale of the relinquished property and the identification and acquisition of the replacement property and no opinion or assurance is being provided to the effect that any individual prospective Purchaser's transaction will qualify under Section 1031;
- The existence of various conflicts of interest among the Sponsor, the Trust, the Master Tenant, the Property Manager, and their affiliates;
- Material tax risks, including treatment of the Interests for purposes of Section 1031 and the use of exchange funds to pay acquisition costs, which may result in taxable boot; and
- Risks related to competition from properties similar to and near the Property and the possibility of environmental risks related to the Property.

See "Risk Factors" section of the Memorandum for a complete listing of all of the risks associated with the Interests. All terms capitalized, but not defined herein, shall have the meaning given in the Memorandum. Securities offered through Bluerock Capital Markets to Accredited Investors only pursuant to Rule 501 of Regulation D of the Securities Act of 1933.



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