

Forum CRE Income Fund (FCREIF)

Frequently Asked Questions

FCREIF.com



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1. What is the Forum CRE Income Fund?

- The Forum CRE Income Fund ("FCREIF") is Forum's latest Fund offering.
- **FCREIF offers investments in public and private real estate debt and preferred equities.**
- FCREIF is designed to provide high-net-worth individuals, institutions, family offices and financial intermediaries access to commercial real estate debt at a critical time for today's investors.
- FCREIF launched on May 3, 2021 and represents a restructuring of the Forum Integrated Income Fund ("FIIF"), which launched in October 2019 and successfully closed with \$50 million in December 2020.

2. Why did you launch FCREIF?

Given the success of FIIF and feedback from many investors wanting to add to their investment, FIIF was restructured into FCREIF to allow for additional investment and limited quarterly redemptions of some or all of your investment.

Since inception, FCREIF has delivered a total return of 6.58%¹ and a total 12-month return of 26.67%¹, both as of April 30, 2021, despite a challenging 2020 due to COVID-19. FCREIF will continue to embrace FIIF's original investment thesis: we believe that commercial real estate-backed debt offers an attractive, relative value and alternative to real estate and fixed-income investors.

3. What are the benefits of investing in FCREIF?

FCREIF offers several potential benefits to current and future investors, including:

- Replicating the Forum Integrated Income Fund's investment objective.
- Providing more opportunities to add to your investment with the flexibility of quarterly repurchase periods².
- Seeking to distribute attractive monthly income and total return targets.
- Simplifying portfolio and capital management while continuing to team with our investment consultant Janus Henderson.
- Gaining additional governance and oversight from an independent Board of Trustees.
- Providing an attractive fee structure.



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4. What is the Fund's target distribution?

The Fund seeks to provide income, payable monthly.

**Past performance does not guarantee future results.*

5. When will distributions be paid?

Distributions will be paid monthly starting on June 16, 2021.

6. What is the schedule for the quarterly repurchases?

The Fund offers quarterly repurchases at 5% of the weighted average number of shares outstanding in the prior calendar year (or 20% in each calendar year) at the current net asset value (NAV).

7. What is the fee structure and management fee?

- Forum is paid a management fee* of 1.50% on total managed assets, which is equivalent to 1.95% on the Fund's net assets.
- Management fee is calculated and payable monthly in arrears.
- Forum does not charge a commission based on performance.
- Gross expense ratio: 3.17%
- Net expense ratio: 2.85% **

**FCREIF is paid a management fee of 1.50% on total managed assets, which is equivalent to 1.95% on the Fund's net assets. Please see "Management of the Fund – Investment Management Agreement" in the prospectus for an explanation of the management fee and definition of "total managed assets".*

***The Fund's Net Expense Ratio is 2.85% and reflects a contractual fee waiver and/or expense reduction, which is in place through April 26, 2023. Please see "Management of the Fund – Expense Limitation Agreement" in the prospectus for more information.*

8. What is the investment minimum?

The Vehicle's investment minimum is \$50,000



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9. What is the vehicle structure?

The Fund is structured as a 1940-Act, continuously offered, closed-end tender offer fund.

10. Who can invest in FCREIF?

Accredited investors can invest in FCREIF. This is a threshold set by the federal government. To be an accredited investor, you must meet one of the following criteria:

- Have an individual net worth, or joint net worth with your spouse, that exceeds \$1 million (excluding the value of your primary residence).
- Have individual income exceeding \$200,000 in each of the past two years and expect to reach the same this year.
- Have combined income with your spouse exceeding \$300,000 in each of the past two years and expect to reach the same this year.
- Invest on behalf of a business or investment company with more than \$5 million in assets and/or all of the equity owners are accredited.

11. What tax forms will I receive?

- Forum is electing REIT tax treatment*, which provides a **Pass-Through Deduction** that allows investors to deduct up to 20% of their dividend.
- Forum will issue federal 1099-DIV forms to all investors on an annual basis.

**While we expect that we are properly organized as a REIT in accordance with applicable law, we cannot guarantee that the IRS will find that we have qualified as a REIT. If we fail to qualify as a REIT or fail to remain qualified as a REIT, we would be subject to federal income tax at corporate income tax rates and would not be able to deduct distributions to shareholders when computing our taxable income.*

12. When can I expect to receive my annual tax forms?

We will provide 1099-DIV forms to investors no later February 1.



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13. How do I invest?

You can indicate your interest by contacting the Investor Relations team members via email at InvestorRelations@forumcapadvisors.com or phone at 303-501-8860. An Investor Relations representative will walk you through the investment process. Forum will provide an electronic subscription agreement and a form to verify your accreditation status. Forum may also need certain additional documents if you plan to invest through a Trust, Self-Directed IRA, LLC, Corporation, or other related entity.

14. How does the accreditation verification process work?

Only investors who are "accredited investors" under Rule 501(a) of Regulation D may purchase Units of the Vehicle. You can verify your accredited investor status by forwarding Forum's certification form to a licensed attorney, CPA, or financial advisor that is privy to your financial status as an accredited investor. The licensed individual will then need to complete the form on your behalf. Or, you can utilize a third-party service provider to verify your accreditation status, such as Verify Investor. The accreditation form must be completed for the entity that the investor invests through. For example, if your name is John Smith, then the accreditation form must refer to you as "John Smith." If you invest through an LLC called "John Smith Investments, LLC," the accreditation form must state "John Smith Investments, LLC."

¹ On May 3, 2021, the Fund acquired the assets and adopted the performance history of the Forum Integrated Income Fund ("FIIF"), an unregistered private placement. The investment goals, strategies and policies of the Fund are substantially similar to those of the predecessor fund. Performance information for periods prior to May 3, 2021, is based on the performance history of the predecessor fund and reflects the operating expenses of the predecessor fund. Past performance does not guarantee future results.

² Each quarterly repurchase offer will ordinarily be limited to the repurchase of 5% of the weighted average number of shares outstanding in the prior calendar year (or 20% in each calendar year). A 2.00% early redemption fee payable to the Fund will be charged with respect to the repurchase of a shareholder's shares at any time prior to the day immediately preceding the one-year anniversary of the shareholder's purchase of the shares. See the memorandum for additional details.



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IMPORTANT INVESTMENT CONSIDERATIONS

Investors should consider the investment objectives, risks, charges, and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call 303.501.8804 or visit www.FREIF.com Read the [prospectus](#) or [summary prospectus](#) carefully before investing.

Diversification does not ensure a profit or protect against a loss.

Investing in the Fund involves risks, including the risk that an investor may receive little or no return on his, her or its investment or that an investor may lose part or all of such investment. Therefore, investors should consider carefully the following principal risks before investing in the Fund. There is no assurance that the Fund will achieve its performance or investment objectives or achieve any targeted rate of return or return of capital or any target distribution yield. Shareholders may lose some or all of their invested capital, and prospective investors should not purchase the Fund's shares unless they can readily bear the consequence of such loss.

Limited liquidity is provided to shareholders only through the Fund's quarterly repurchase offers. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly repurchase offer. The Fund's investments are also subject to liquidity risk. Funds with principal investment strategies that involve securities of companies with smaller market capitalizations, derivatives or securities with substantial market and credit risk tend to have the greatest exposure to liquidity risk.

As a non-diversified investment company, the Fund may invest more than 5% of its total assets in the securities of one or more issuers. The Fund may therefore be more susceptible than a diversified fund to being adversely affected by events impacting a single borrower, geographic location, security, or investment type. The Fund's investments in real estate debt are expected to be secured by real estate assets. The Fund's concentration in the real estate sector may increase the volatility of the Fund's returns and may also expose the Fund to the risk of economic downturns in this sector to a greater extent than if its portfolio also included investments in other sectors. Further, there is no limit regarding the amount of Fund assets that may be invested in any single geographic area within the United States. To the extent the Fund concentrates its investments in a limited number of assets or geographic areas, the Fund will be subject to certain risks relating to concentrated investments.

Commercial real estate debt instruments (e.g., mortgages, mezzanine loans and preferred equity) that are secured by commercial property are subject to risks of delinquency and foreclosure and risks of loss that are greater than similar risks associated with loans made on the security of single-family residential properties. The Fund expects to invest a portion of its assets in pools or tranches of commercial mortgage-backed securities (CMBS)*. In a rising interest rate environment, the value of CMBS may be adversely affected when payments on underlying mortgages do not occur as anticipated, resulting in the extension of the security's effective maturity and the related increase in interest rate sensitivity of a longer-term instrument. Subordinate CMBS are also subject to greater credit risk than those CMBS that are more highly rated. Mortgage loans on commercial properties generally lack standardized terms, which may complicate their structure and increase due diligence costs. Commercial mortgage loans also tend to have shorter maturities than single-family residential mortgage loans and are generally not fully amortizing, which means that they may have a significant principal balance or "balloon" payment due on maturity.

Placement Agent: Foreside Services, LLC

*A security backed by commercial and multifamily mortgages rather than residential real estate.