



Editor's note: The following memo was distributed by Fundrise Advisors to its clients who are shareholders of the Fundrise Income Real Estate Fund, LLC (the Fund). It has been made available as a supplemental resource for prospective investors in the Fund. The transaction referenced in this memo was an investment transaction made by the Fund, which invested roughly \$6,500,000. Investors should carefully consider the investment objective, risk, charges, and expenses of the Fund before investing. The [prospectus](#) for the Fund contains this and other information and can be obtained by emailing investments@fundrise.com, or by referring to fundriseincomerealestatefund.com. The prospectus should be read carefully before investing in the Fund.

Investment in pre-development of 42 homes in Los Angeles pays back successfully

The project generated an annualized return of roughly 11%, supporting quarterly dividends for initially Income eREIT and then Income Interval Fund investors.

Important note: The realized return on an individual project may vary significantly from your portfolio-level return as an investor. To learn more about why this may be the case, see the "How did this project impact your portfolio?" section.

In June 2019, we invested roughly \$6.5 million to provide [a loan for the acquisition of an 198,000 square foot \(4.5 acre\) property](#) in the El Sereno neighborhood of Los Angeles as the future site of 42 homes.

Following our acquisition, the sponsor's business plan involved obtaining the necessary entitlements and permits to build the homes, which they successfully completed in mid-2021.

Today, we're pleased to share that the project's sponsor has refinanced the property with a construction loan and paid back our investment in full. Per the terms of our investment, we earned an annualized return of roughly 11% over the life of the investment.

Investor FAQ: How does this project impact your portfolio?

This investment was structured as debt, where the project's sponsor must pay us a fixed rate of return before they can earn a return for themselves, and their equity provides us with a cushion against losses. Throughout the term of this investment, the regular income it generated supported quarterly dividends for the Income eREIT and then for the Income Interval Fund.

As always, if you have any questions or feedback, please visit our [help center](#) or reach out to us at investments@fundrise.com.

About the Fund

The Fundrise Income Real Estate Fund (the Fund) is an unlisted closed-end management investment company that is operated as an interval fund. The Fund's investment objective is to seek to create and maintain a portfolio of investments that generate a low volatility income stream of attractive and consistent cash distributions. For more information, including the Prospectus, please visit fundriseincomerealestatefund.com.

Pursuant to Rule 30e-1 under the Investment Company Act of 1940, please [click here](#) or see the "Literature" section of fundriseincomerealestatefund.com for the Fund's Semi-Annual Report.

The Fund also seeks to provide investors with liquidity through quarterly offers to repurchase a limited amount of the Fund's Shares (at least 5%), pursuant to Rule 23c-3 under the Investment Company Act of 1940. For the latest available repurchase notice, please [click here](#) or see the "Literature" section of fundriseincomerealestatefund.com.

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