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RESOURCE REAL ESTATE, INC.

712 5th Avenue, 12th Floor
New York, New York 10019

p. (212) 506-3899; f. (215) 761-0479

www.reourcerei.com

This brochure provides information about the qualifications and business practices of Resource Real Estate, Inc. If you have any questions about the contents of this brochure, please contact us at (212) 506-3899. The information in this brochure has not been approved or verified by the Securities and Exchange Commission or any state securities authority. Registration with the Securities and Exchange Commission as an Investment Adviser does not imply a certain level of skill or training.

Additional information about Resource Real Estate, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Resource Real Estate, Inc.

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Item 4: Advisory Business.

- (A) Resource Real Estate, Inc. (“RRE”), a Delaware corporation, is a wholly owned subsidiary of Resource America, Inc. (NASDAQ: REXI). RRE was formed on May 5, 2004, and began providing investment advisory services in August of 2006.¹
- (B) RRE provides investment advisory services to a closed-end real estate interval fund (the “Interval Fund”) registered as an investment company under the Investment Company Act of 1940 (the “ICA”). The Interval Fund invests primarily in the equity and debt securities of public, private and non-traded real estate investment trusts (“REITs”), real estate operating companies (“REOCs”), private real estate investment funds, and other investment vehicles that invest principally in real estate related industry securities (all such investments referred to collectively herein as, “Real Estate Investments”). RRE uses fundamental credit, property and market research to identify compelling opportunities in the commercial real estate equity and debt markets. RRE utilizes ongoing analysis and a proactive management style to maximize total return and minimize portfolio risk. RRE’s investment advisory services are limited to investments in real estate backed loans and securities.
- (C) Investment advisory services provided by RRE on behalf of advisory clients are conducted pursuant to the terms of an investment management agreement. This agreement was negotiated between RRE and the trustees for the Interval Fund prior to the commencement of the advisory relationship and sets forth the specific services that will be provided by RRE. The Agreement is reviewed by the trustees for renewal on an annual basis.
- (D) RRE does not participate in wrap fee programs.
- (E) As of December 31, 2014 RRE had approximately \$25,376,536 of assets under management. All assets are managed on a discretionary basis.

Item 5: Fees and Compensation.

- (A) N/A. RRE’s brochure is delivered only to qualified purchasers as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940.
- (B) RRE receives a base management fee from the Interval Fund on a monthly basis equal to a percentage of the Interval Fund’s daily net assets.
- (C) Client accounts managed by RRE may be responsible for fees payable to independent third parties including, but not limited to, organizational and offering costs, legal fees, accounting and auditing fees, research fees, trustee fees, custodial fees, bank service fees, director’s fees and brokerage and commission fees. For additional details on RRE’s brokerage practices please refer to Item 12 below.

¹ Prior to the launch of the Interval Fund (as defined herein), RRE provided investment advisory services to two collateralized debt obligations the equity tranches of which were owned entirely by an affiliate of RRE.

(D) RRE does not require its advisory clients to pay management fees in advance.

(E) Neither RRE nor any of its supervised persons accepts compensation for the sale of securities or other investment products to its advisory clients, including asset-based sales charges or other fees from the sale of mutual funds.

Item 6: Performance Based Fees and Side by Side Management.

RRE does not receive performance based fees from the Interval Fund. However, RRE's supervised persons may manage other accounts that are charged performance fees. Side by side management of client accounts may create a conflict of interest wherein RRE is incentivized to allocate certain investment opportunities to client accounts with a higher a fee structure. However, it is anticipated that any other funds managed by RRE's supervised persons will pursue separate and distinct investment strategies.

In order to mitigate conflicts of interest related to side by side management of client accounts with different fee structures, RRE has established a trade allocation policy for all client accounts. Further, other accounts managed by RRE's supervised persons do not invest in Real Estate Investments thereby eliminating any incentive for RRE or its supervised persons to favor one managed account over another.

Item 7: Types of Clients.

RRE provides investment advice to Interval Funds. RRE does not provide investment advisory services to retail investors.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.

(A)

Real Estate Investments are subject to numerous risk factors. The description herein of the Real Estate Investments, as well as the risks related thereto, is general in nature, and prospective clients should review certain summary information about Real Estate Investments set forth in the applicable prospectus and statement of additional information. Certain risks that are referred to herein with respect to a particular type of Real Estate Investment may also have applicability to other types of Real Estate Investments, and the discussions of such other types should be reviewed and construed accordingly.

REIT Debt Securities. Investments in REIT Debt Securities involve special risks. REIT Debt Securities generally are unsecured and may be subordinated to other obligations of the issuer thereof. In particular, issuers of REIT Debt Securities are generally permitted to invest solely in real estate or real estate related assets and are subject to the inherent risks associated with such investments. Consequently, the financial condition of any issuer of REIT Debt Securities may be affected by the risks described above with respect to commercial mortgage loans and similar risks, including (i) risks of delinquency and foreclosure, and risks of loss in the event thereof, (ii)

the dependence upon the successful operation of and net income from real property, (iii) risks generally incident to interests in real property, including those described above, (iv) risks that may be presented by the type and use of a particular commercial property and (v) the difficulty of converting certain property to an alternative use in the event that the operation of such commercial property for its original purpose becomes unprofitable for any reason.

Risks of REIT Debt Securities may include, among others, (i) limited liquidity and secondary market support, (ii) substantial market price volatility resulting from changes in prevailing interest rates, (iii) subordination to the prior claims of banks and other senior lenders, (iv) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates, (v) the possibility that earnings of an issuer of REIT Debt Securities may be insufficient to meet its debt service and (vi) the declining creditworthiness and potential for insolvency of the issuer of such REIT Debt Securities during periods of rising interest rates and economic downturn. An economic downturn or an increase in interest rates could severely disrupt the market for REIT Debt Securities and adversely affect the value of outstanding REIT Debt Securities and the ability of the issuers thereof to repay principal and interest.

Issuers of REIT Debt Securities may be, from time to time, highly leveraged and may not have available to them more traditional methods of financing. For example, during an economic downturn or a sustained period of rising interest rates, issuers of REIT Debt Securities may be more likely to experience financial stress, especially if such issuers are highly leveraged. During such periods, timely service of debt obligations may also be adversely affected by specific issuer developments, or the unavailability of additional financing. The risk of loss due to default by the issuer may be significantly greater for the holders of REIT Debt Securities because such securities may be unsecured and may be subordinated to other creditors of the issuer of such securities.

Downward movements in interest rates also could adversely affect the performance of REIT Debt Securities.

As a result of the limited liquidity of REIT Debt Securities, their prices have at times experienced significant and rapid declines when a substantial number of holders decided to sell.

Risks Related to Convertible Securities. Convertible securities are hybrid securities that have characteristics of both bonds and common stocks and are subject to risks associated with both debt securities and equity securities. Convertible securities are similar to fixed-income securities because they usually pay a fixed interest rate (or dividend) and are obligated to repay principal on a given date in the future. The market value of fixed-income and preferred securities tend to decline as interest rates increase and tend to increase as interest rates decline. Convertible securities have characteristics of a fixed-income security and are particularly sensitive to changes in interest rates when their conversion value is lower than the value of the bond or preferred share. Fixed-income and preferred securities also are subject to credit risk, which is the risk that an issuer of a security may not be able to make principal and interest or dividend payments on the security as they become due. Fixed-income and preferred securities also may be subject to prepayment or redemption risk. If a convertible security is called for redemption, an advisory client will be required to surrender the security for redemption, convert it into the issuing

company's common stock or cash or sell it to a third party at a time that may be unfavorable to the advisory client.

RRE, on behalf of its advisory clients, may invest in fixed-income and preferred securities rated less than investment grade that are sometimes referred to as high yield or "junk bonds." These securities are speculative investments that carry greater risks and are more susceptible to real or perceived adverse economic and competitive industry conditions than higher quality securities. Such securities also may be subject to resale restrictions. Convertible securities have characteristics similar to common stocks especially when their conversion value is the same as the value of the bond or preferred share. The price of equity securities may rise or fall because of economic or political changes. Stock prices in general may decline over short or even extended periods of time. Market prices of equity securities in broad market segments may be adversely affected by a prominent issuer having experienced losses or by the lack of earnings or such an issuer's failure to meet the market's expectations with respect to new products or services, or even by factors wholly unrelated to the value or condition of the issuer, such as changes in interest rates.

Risks Related to Debt Securities. When RRE, on behalf of its advisory clients, invests in debt securities, the value of such investments will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of debt securities. In general, the market price of debt securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments).

Risks Related to Medium and Small Capitalization Companies. RRE, on behalf of its advisory clients, may make investments in real estate related industry securities. Many issuers of real estate securities are medium or small capitalization companies which may be newly formed or have limited product lines, distribution channels and financial and managerial resources. The risks associated with these investments are generally greater than those associated with investments in the securities of larger, more-established companies. Such investments may be more volatile when compared to investments in companies that focus only on large capitalization companies.

Generally, securities of medium and small capitalization companies are more likely to experience sharper swings in market values, less liquid markets, in which it may be more difficult for RRE to sell at times and at prices that RRE believes appropriate and generally are more volatile than those of larger companies. Compared to large companies, smaller companies are more likely to have (i) less information publicly available, (ii) more limited product lines or markets and less mature businesses, (iii) fewer capital resources, (iv) more limited management depth and (v) shorter operating histories. Further, the equity securities of smaller companies are often traded over-the-counter and generally experience a lower trading volume than is typical for securities that are traded on a national securities exchange. Consequently, RRE may be required to dispose of these securities over a longer period of time (and potentially at less favorable prices) than would be the case for securities of larger companies, offering greater potential for gains and losses and associated tax consequences.

Risks Related to Preferred Securities. There are various risks associated with investing in preferred securities, including credit risk, interest rate risk, deferral and omission of distributions, subordination to bonds and other debt securities in a company's capital structure, limited liquidity, limited voting rights and special redemption rights.

Risks Related to Private Real Estate Investment Funds. The performance of investments in private real estate investment funds identified by RRE depends in part upon the performance of the private real estate investment fund managers and selected strategies, the adherence by such private real estate investment fund managers to such selected strategies, the instruments used by such private real estate investment fund managers and RRE's ability to select private real estate investment fund managers and strategies and effectively allocate Fund assets among them. Fund shareholders will bear two layers of fees and expenses: asset-based fees and expenses at the Fund level, and asset-based fees, which may include incentive allocations or fees and expenses at the private real estate investment fund level.

RRE, on behalf of its advisory clients, indirectly invests in private real estate investment funds that are subject to, risks associated with legal and regulatory changes applicable to financial institutions generally or to private real estate investment funds in particular. RRE's investments in certain private real estate investment funds may be subject to lock-up periods, during which RRE may not withdraw its investment. RRE may make investments in private real estate investment funds that follow a particular type of investment strategy, which may expose the RRE's advisory clients to the risks of that strategy. RRE's advisory clients, upon redemption of all or a portion of their interest in a private real estate investment fund, may receive an in-kind distribution of securities that are illiquid or difficult to value and difficult to dispose of.

Private real estate investment fund returns may exhibit greater correlations among each other or with fixed-income or equity indices than anticipated by RRE, particularly during times of general market turmoil. private real estate investment fund managers may invest the private real estate investment funds' assets in securities of non-U.S. issuers, including those in emerging markets, and the assets of RRE clients may be invested in private real estate investment funds that may be denominated in non-U.S. currencies, thereby exposing RRE's clients to various risks that may not be applicable to U.S. securities. Private real estate investment fund managers focus primarily on the real estate industry, which may subject RRE's clients, to greater risk and volatility than if investments had been made in issuers in a broader range of industries. Private real estate investment fund managers may focus on a particular country or geographic region, which may subject RRE's clients to greater risk and volatility than if investments had been made in issuers in a broader range of geographic regions. Private real estate investment fund managers may use derivatives for speculative or hedging purposes. Private real estate investment funds may incur leverage for investment or other purposes, which may increase the volatility of the private real estate investment funds. Private real estate investment fund managers may sell short securities held by private real estate investment funds, which presents the theoretical risk of unlimited loss because of increases in the market price of the security sold short, and the risk that private real estate investment funds' short selling activities may be adversely affected by regulatory restrictions that may be imposed at any time. Private real estate investment fund managers may change their investment strategies at any time. Private real estate investment fund managers may

invest the private real estate investment funds' assets without limitation in restricted and illiquid securities. Private real estate investment fund managers may invest RRE's client assets in equity securities without limitation as to market capitalization. Private real estate investment funds may invest in equity securities issued by smaller capitalization companies, including micro-cap companies, the prices of which may be subject to erratic market movements.

Private real estate investment funds are not publicly traded and therefore are not liquid investments. As a result, the Fund may consider information provided by the asset manager to determine the value of an RRE client investment in the private real estate investment fund. The valuation provided by an asset manager as of a specific date may vary from the actual sale price that may be obtained if such investment were sold to a third party. RRE will use reasonable due diligence to value securities and may also consider information provided by the private real estate investment funds, including quarterly unaudited financial statements, which if inaccurate could adversely affect the RRE's ability to value accurately an advisory client's shares. Private real estate investment funds that invest primarily in publicly traded securities are more easily valued.

In addition to valuation risk, shareholders of private real estate investment funds are not entitled to the protections of the 1940 Act. For example, private real estate investment funds need not have independent boards, may not require shareholder approval of advisory contracts, may leverage to an unlimited extent, and may engage in joint transactions with affiliates. As a result, private real estate investment funds may make significant use of leverage, which has the potential to magnify losses versus funds that do not employ leverage. Additionally, private real estate investment fund managers may have limited operating histories upon which to evaluate their performance, and some private real estate investment fund managers may not be registered under the Investment Advisers Act of 1940, as amended. Further, private real estate investment fund managers may charge investors (such as RRE clients) asset-based fees and incentive allocations or fees of as much as 20% of a private real estate investment fund's net profits (or more in certain limited circumstances), which may create incentives for private real estate investment fund managers to make investments that are riskier or more speculative than in the absence of these fees. These characteristics present additional risks, including the possibility of total risk of loss, for shareholders.

Risks Related to REIT Investments. Investments in REITs will subject RRE clients to various risks. REIT share prices may decline because of adverse developments affecting the real estate industry and real property values. In general, real estate values can be affected by a variety of factors, including supply and demand for properties, the economic health of the country or of different regions, and the strength of specific industries that rent properties. REITs often invest in highly leveraged properties. Returns from REITs, which typically are small or medium capitalization stocks, may trail returns from the overall stock market. In addition, changes in interest rates may hurt real estate values or make REIT shares less attractive than other income-producing investments. REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation.

Qualification as a REIT under the Internal Revenue Code of 1986, as amended in any particular year is a complex analysis that depends on a number of factors. There can be no assurance that

the entities in which RRE invests with the expectation that they will be taxed as a REIT will qualify as a REIT. An entity that fails to qualify as a REIT would be subject to a corporate level tax, would not be entitled to a deduction for dividends paid to its shareholders and would not pass through to its shareholders the character of income earned by the entity. If RRE were to invest in an entity that failed to qualify as a REIT, such failure could significantly reduce the Fund's yield on that investment. REITs can be classified as equity REITs, mortgage REITs and hybrid REITs. Equity REITs invest primarily in real property and earn rental income from leasing those properties. They may also realize gains or losses from the sale of properties. Equity REITs will be affected by conditions in the real estate rental market and by changes in the value of the properties they own. Mortgage REITs invest primarily in mortgages and similar real estate interests and receive interest payments from the owners of the mortgaged properties. Mortgage REITs will be affected by changes in creditworthiness of borrowers and changes in interest rates. Hybrid REITs invest both in real property and in mortgages. Equity and mortgage REITs are dependent upon management skills, may not be diversified and are subject to the risks of financing projects.

Dividends paid by REITs will not generally qualify for the reduced U.S. federal income tax rates applicable to qualified dividends under the Code. RRE's investments in REITs may include an additional risk to shareholders. Some or all of a REIT's annual distributions to its investors may constitute a non-taxable return of capital. Any such return of capital will generally reduce the Fund's basis in the REIT investment, but not below zero. To the extent the distributions from a particular REIT exceed an investor's basis in such REIT, the investor will generally recognize gain.

Risks Related to Non-Traded REITs. Non-traded REITs are subject to the following risks in addition to those described in "REIT Risk." Non-Traded REITs are subject to significant commissions, expenses, and offering and organizational costs that reduce the value of an investor's investment. Non-Traded REITs are not liquid, and investments in Non-Traded REITs may not be accessible for an extended period of time. Redemption programs offered by Non-Traded REITs may have significant restrictions, such as caps on the amount of shares that can be redeemed annually, limits on the amounts and sources of funds that may be used to fund redemptions and the ability of the REIT to suspend or terminate the program at its discretion. There is no guarantee of any specific return on the principal amount or the repayment of all or a portion of the principal amount invested in Non-Traded REITs. In addition, there is no guarantee that investors will receive a distribution. Distributions from Non-Traded REITs may be derived from the proceeds of the offering, from borrowings, or from the sale of assets. Payments of distributions from sources other than cash flow from operations will decrease or diminish an investor's interest. Dividends paid by Non-Traded REITs may vary based on economic risks, geopolitical risks, changes in the real estate market, performance of the REIT, regulatory changes, and key personnel changes. Distributions from Non-Traded REITs can be suspended for a period of time or halted altogether.

Risks Related to Private REITs. Private REITs are subject to the following risks in addition to those described in "Private Real Estate Investment Fund Risk" and "REIT Risk." Private REITs are typically smaller and financially less stable than Public REITs. Private REITs are unlisted, making them hard to value and trade. Moreover, private REITs generally are exempt from

Securities Act registration and, as such, are not subject to the same disclosure requirements as Public REITs and Non-Traded REITs, which makes private REITs more difficult to evaluate from an investment perspective.

Item 9: Disciplinary Information.

Neither RRE nor its management personnel have been involved in or are the subject of any legal or disciplinary events that would be material to a client's or prospective client's evaluation of RRE's advisory business or the integrity of RRE or its management personnel.

Item 10: Other Financial Industry Activities and Affiliations.

(A) Darshan Patel, the Chief Compliance Officer of RRE is a registered representative of Resource Securities, Inc., a FINRA registered broker-dealer affiliate of RRE.

(B) Neither RRE nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

(C) RRE is a wholly owned subsidiary of Resource America, Inc., a specialized asset management company that focuses, through its wholly owned subsidiaries and joint ventures, on the commercial finance, real estate and financial fund management sectors. Each of these subsidiaries focuses on unique asset classes and investment strategies.

1. Resource Securities, Inc., a wholly owned subsidiary of Resource America, Inc., is a FINRA licensed broker-dealer engaged in (i) the underwriting of direct participation programs and real estate investment trusts ("REITs") on an "all or none," "part or none," and/or "best efforts" basis; (ii) the wholesaling with other broker/dealers of direct participation programs and REITs; (iii) the retail sale of direct participation programs and REITs to public customers; (iv) the wholesaling with other broker/dealers of closed-end real estate interval funds ("Interval Funds"); (v) the sale in private placements of limited partnership interests of corporate credit investment funds to qualified purchasers as defined in the SEC Act of 1940 ("Corporate Credit Funds"); and (vi) the sale in private placements of certain tranches of CDO and CLO debt securities including CRE CDO securities, ABS CDO securities as well as CMBS and CMBS CDO securities, trust preferred securities of REITs, insurance companies and other financial service companies, subordinated debt, and common equity shares (the "Financial Securities"). The Financial Securities will be offered to qualified institutional buyers ("QIBs") or otherwise sophisticated investors, including the Firm's affiliates..
2. Affiliates of RRE manage pooled investment vehicles including, but not limited to, collateralized debt obligations, private equity funds and hedge funds. However, each affiliate of RRE focuses on distinct asset classes and therefore generally does not trade in the same investments that are purchased and sold on

behalf of RRE clients. As a result, these relationships do not cause any material conflict of interest.

3. Resource Financial Fund Management, Inc. (“RFFM”), an affiliate of RRE, is a registered investment advisor that is primarily engaged in the business of providing portfolio management services to issuers of CDOs that hold investments in trust preferred securities issued by banks, thrifts, financial institutions, real estate investment trusts, real estate operating companies and homebuilders. CDOs managed by RFFM do not invest in the same asset classes as client accounts managed by RRE. RFFM also serves as the investment adviser to a mutual fund registered under the ICA (the “Credit Fund”). It is anticipated that certain RRE supervised persons will be responsible for investment advisory services provided RFFM. The Credit Fund will seek to invest primarily in various tranches of loans and structured products and will not have an investment strategy focused on real estate investments. This relationship does not cause any material conflict of interest.

CVC Credit Partners, LLC, a joint venture between Resource America, Inc. and CVC Capital Partners SICAV-FIS, S.A., is a registered investment advisor that is primarily engaged in the business of providing portfolio management services to private investment vehicles and issuers of CDOs that primarily hold investments in senior secured leveraged loans, second lien loans, and corporate and high yield bonds. CVC and RRE have separate management and investment teams and generally do not seek to invest in similar opportunities. This relationship does not cause any material conflict of interest.

Ischus Capital Management, LLC is a registered investment adviser that specializes in managing CDOs that primarily hold investments in structured finance products with a focus on ABS, RMBS and CMBS securities. With the exception of the ability to invest in CMBS as indicated in response to Item 10C(2) above, CDOs managed by Ischus are static and generally do not invest in the same asset classes as the client accounts managed by RRE. This relationship does not cause any material conflicts of interest.

4. RRE does not have any relationship or arrangement with any related persons that are futures commission merchants, commodity pool operators or commodity trading advisors. Notwithstanding the foregoing, RFFM and CVC are each subject to and have filed for exemptions from registration as commodity pool operators.
5. RRE does not have any relationship or arrangement with any related entity that is a banking or thrift institution.
6. Related persons of RRE are employed in the ordinary course of business by Resource America, Inc. and its subsidiaries as accountants. The relationship

between RRE and such related persons does not cause any material conflict of interest.

7. Related persons of RRE are employed in the ordinary course of business by Resource America, Inc. and its subsidiaries as lawyers. The relationship between RRE and such related persons does not cause any material conflict of interest.
8. RRE does not have any relationship or arrangement with any related entity that is an insurance company or agency.
9. RRE does not have any relationship or arrangement with any related person that is a pension consultant.
10. RRE does not have any relationship or arrangement with any related person that is a real estate broker or dealer.
11. Related persons of RRE may serve as sponsors or syndicators of limited partnerships, REITs or other collective investment vehicles. Clients of RRE are not solicited to invest in these vehicles and such vehicles do not transact with RRE clients. The relationship between RRE and such related persons does not cause any material conflict of interest.

(D) RRE does not recommend or select other investment advisors for its clients.

Item 11: Code of Ethics.

(A) In recognition of RRE's fiduciary duty to its clients and its desire to maintain its high ethical standards, RRE has adopted a Code of Ethics containing provisions designed to prevent improper personal trading, identify conflicts of interest and provide a means to resolve any actual or potential conflicts in favor of the RRE client. Adherence to the Code of Ethics is considered a basic condition of employment by RRE.

It is the responsibility of each employee of RRE to ensure that a particular securities transaction being considered for his or her own personal account is not subject to a restriction contained in the Code of Ethics or otherwise prohibited by any applicable laws.

RRE employees are prohibited from executing any personal securities transactions of any kind in any securities on RRE's restricted list. This list will contain the names of any companies for which RRE has material non-public information. However, RRE does not anticipate receiving material non-public information on issuers of publicly traded securities in the ordinary course of business. RRE employees are required to provide the Compliance Officer with copies of all brokerage statements and trade confirmations for any accounts in which securities are held. All such statements will be reviewed on a regular basis and compared against the restricted list by the Compliance Officer.

RRE employees may not acquire beneficial ownership in any securities in any private placement of securities or investment opportunity of limited availability unless the Compliance Officer has given express prior written approval.

RRE employees may not serve as a director (or similar position) of the board or as a member of a credit committee of any company unless the employee has received written approval from the Compliance Officer. Authorization will be based on a determination that the board service would not be inconsistent with the interest of any client account.

RRE employees are prohibited from using their position with RRE to obtain an item of value from any person or company that does business with RRE. Employees are prohibited from accepting any gift greater than \$300 in value from any person or company that does business with RRE or any investment vehicle managed by RRE. Unsolicited business entertainment is permitted if: a) it is not so frequent or of such high value as to raise a question of impropriety and b) the person providing the entertainment is present at the event.

RRE's management, with the advice of legal counsel, at its discretion, will consider reports made to it and upon determining that a violation of the Code of Ethics has occurred, may impose such sanctions or remedial action as it deems appropriate or to the extent required by law.

A copy of RRE's Code of Ethics is available to any investor or potential investor upon request.

(B) Neither RRE nor any related person recommends to clients, or buys or sells for client accounts, securities in which RRE or a related person has a material financial interest. RRE and its affiliates do not currently recommend to clients, or buy and sell for client accounts, securities in which RRE or its affiliates have a material financial interest.

(C) RRE or its related persons may provide discretionary investment advisory services to various other affiliates. In addition, RRE or its related persons may provide investment advice to themselves. In managing proprietary accounts, RRE or its related persons may purchase or sell securities for such accounts, that they also recommend to their clients. It is RRE's policy that no client for whom it has investment decision responsibility shall receive preferential treatment over any other client or proprietary account. RRE and its related persons have adopted internal allocation procedures governing such transactions that require, among other things, that: (i) all trades for the related proprietary accounts be reviewed by portfolio management and compliance personnel, and (ii) RRE maintain records as to the activity and position in the related proprietary accounts and any transaction allocations involving related proprietary accounts and client accounts. Potential conflicts of interest may exist in instances in which RRE or its related persons determine that a specific transaction in a security is appropriate for a specific account, including proprietary accounts and accounts for which RRE charges a performance based fee, based upon numerous factors including, among other things, investment objectives, investment strategies or restrictions, while other accounts including proprietary accounts and accounts for which RRE charges a performance based fee may hold or take the opposite position in the security in accordance with those accounts' investment objectives, strategies and restrictions. RRE has adopted a Trade Allocation Policy that governs allocation of investment opportunities among client accounts to ensure that all client accounts are treated fairly. This policy generally

results in client accounts receiving pro rata allocations of any investment opportunity sought by a portfolio manager on behalf of a client account. Potential conflicts of interest may also exist in instances in which personnel of RRE and its related persons seek to purchase or sell securities that RRE recommends to client accounts ahead of any purchases or sales made by RRE on behalf of client accounts (“front running”). The conflict of interest posed by front running is mitigated by the fact that RRE’s Insider Trading Policy and Code of Ethics require pre-clearance by the Chief Compliance Officer of all securities transactions. This policy makes securities transactions by the personnel of RRE and its related persons transparent and prevents front running by such personnel.

(D) Please see the response to Item 11(C) above.

Item 12: Brokerage Practices.

(A) RRE retains discretionary authority in its investment management agreements to select broker-dealers in connection with all portfolio transactions. It is RRE’s policy in placing orders to seek to obtain reasonably available best net results, including best price and execution, for portfolio transactions taking into account all relevant factors including quality of execution, ability of the broker to commit capital to provide liquidity, financial responsibility and market-making capabilities and RRE’s overall responsibilities to each client.

1. RRE does not receive products or services other than order execution from broker-dealers or third parties in connection with client securities transactions.
2. RRE and its related persons do not receive client referrals from broker-dealers or third parties that provide order execution on behalf of client accounts
3. RRE does not routinely recommend, request, require or permit clients to direct RRE to execute transactions through specified broker-dealers.

(B) From time to time, it may be appropriate for RRE to aggregate client orders for the purchase or sale of securities. RRE will generally follow the guidelines set forth below in aggregating client orders for securities, including any orders placed for private investment vehicles: (1) no client will be favored over any other client; (2) each client that participates in an aggregated order will participate at the average share price for all of RRE’s transactions in that security on a given business day and transaction costs will be shared pro rata based on each client’s participation in the transaction; (3) if the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the RRE’s general policy; and (4) if the aggregated order is partially filled, it will be allocated among clients pro rata. Notwithstanding the foregoing, an aggregated order may be allocated on a basis different from that specified above, if the reason for the different allocation is explained in writing and approved by the Chief Compliance Officer no later than the close of trading on the day on which the order was executed. Reasons for allocation on a basis different from that specified in the allocation statement may include, but are not necessarily limited to: a client’s investment guidelines and restrictions; available cash; liquidity requirements; legal and regulatory reasons; or to avoid odd lots.

Item 13: Review of Accounts.

(A) RRE informally reviews allocations in the Interval Fund on a daily basis to ensure that target diversification, capital stability, and income are achieved. RRE also reviews each investment held by the Interval Fund on a daily basis to ensure that Interval Fund investments are of desirable value. RRE conducts formal reviews of the Interval Fund portfolio with the Interval Fund Investment Committee on a quarterly basis and the Fair Value Committee on a monthly basis.

(B) N/A

(C) Investors in the Interval Fund receive unaudited semi-annual and audited annual reports. The annual report is accompanied by a shareholder letter prepared by RRE.

Item 14: Client Referrals and Other Compensation.

(A) RRE does not receive any economic benefit from any party that is not a client in connection with the provision of investment advice or other advisory services to RRE clients.

(B) RRE does not directly or indirectly compensate any person who is not a supervised person for client referrals.

Item 15: Custody.

RRE does not maintain custody of client funds or securities.

Item 16: Investment Discretion:

The prospectus for the Interval Fund and its trust compliance manual contain portfolio profile tests that place limits on RRE's to purchase certain investments. RRE is required by these documents to comply with tests on issuer type and concentration, diversification, gross income, and leverage.

Item 17: Voting Client Securities.

(A) As a fiduciary to its investors, RRE recognizes the need to actively manage and vote proxies and other shareholder actions and consents that may arise in the course of its investment advisory activities on behalf of its clients.

In any instance in which an advisory client(s) owns, either individually or together with the RRE's other clients, 2% or greater of any class of outstanding shares of a portfolio company, the RRE will vote proxies for such shares on behalf of its clients in accordance with the process set forth below. In order to fulfill its responsibilities under the Advisers Act, the RRE has adopted the following policies and procedures for proxy voting with regard to companies in the investment portfolio of an advisory client, we will process and vote all shareholder proxies and other actions in a timely manner insofar as we can determine based on the facts available at the time of its action, in the best interests of the affected advisory client(s). Although RRE expects

that proxies will generally be voted in a manner consistent with the guidelines set forth in this policy, there may be individual cases where, based on facts available, voting according to policy would not be in the best interests of the fund and its shareholders. In such cases, we may vote counter to the stated policy. Generally, RRE will vote in favor of routine corporate housekeeping proposals, including election of officers and directors (where no corporate governance issues are implicated), selection of auditors, and increases or reclassification of common stock. RRE will generally vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting. For other proposals, RRE shall determine whether a proposal is in the best interests of its clients and may take into account the following factors among others: (i) whether the proposal was recommended by management and RRE's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance. RRE does not permit clients to vote proxies.

Proxy Voting Procedure

- 1) Notices received are reviewed by the Accounting Department;
- 2) Forwarded to the Investment Department for review and voting decision;
- 3) Vote or consent entered according to our best judgment under the facts and circumstances presented. Such decision shall be made and documented;
- 4) Final review and sign-off by Compliance Department and filing with a copy in the Proxy Voting Log.

RRE may at any time, outsource proxy voting responsibilities to Institutional Shareholder Services ("ISS") or similar service provider that we may approve, provided that such service provider votes each proxy based on decisions made by us.

Conflicts of interest may exist between RRE and its clients with respect to voting their securities in instances in which the issuer of loans or other securities for which votes are solicited is a client or affiliate of RRE or has some other relationship with RRE. In the event that there is a material conflict of interest with regard to a proxy, RRE may retain the services of ISS.

Clients may obtain information from RRE on how proxies are voted by contacting the Chief Compliance Officer of RRE. RRE clients may obtain a copy of RRE's proxy voting policies and procedures upon request.

Item 18: Financial Information.

(A) RRE does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance.

(B) There are no financial conditions that are reasonably likely to impair RRE's ability to meet its contractual commitments to its clients.

(C) RRE has not been the subject of a bankruptcy petition at any time during the past ten years.