

FORUM MULTIFAMILY REAL ESTATE INVESTMENT TRUST, INC. (FMREIT)

This supplement is part of and should be read in conjunction with FMREIT’s Confidential Amended and Restated Private Placement Memorandum dated December 12, 2024 (the “Memorandum”). Unless otherwise defined herein, capitalized terms used in this supplement shall have the same meaning as in the Memorandum.

February 1, 2025 Transaction Price

The following table sets forth the transaction price per share for each share class of our common stock for subscriptions to be accepted (and DRP issuances) as of February 1, 2025 as well as for share redemptions as of January 31, 2025. The table also sets forth the maximum offering price per share for each share class:

Class	Transaction Price Per Share ⁽¹⁾	Maximum Offering Price Per Share ⁽²⁾
Class F - S Shares	\$19.2302	\$19.9033
Class F - I Shares	\$19.2302	N/A
Class C - S Shares (DRP Only)	\$19.2498	N/A
Class C - I Shares (DRP Only)	\$19.2498	N/A

- (1) The transaction price will generally be equal to the NAV per share as of the last calendar day of the prior month for the applicable class of shares being purchased. The share redemption price per share for each share class equals the transaction price per share of such class less any early redemption deduction (if applicable).
- (2) Maximum offering price is the then-current transaction price, plus, if applicable, the maximum upfront commissions or other fees payable to broker dealers who have arrangements with their clients to be paid such compensation in connection with the purchase of shares. The amount of such compensation will vary by broker dealer, but will not exceed 3.5% of the transaction price. Any such commissions and fees will be paid by the investor as part of its offering price and will not be paid by us. The offering price for clients of broker dealers may vary depending on the upfront commissions and other fees charged by their broker dealers. The offering price for clients of RIAs is the transaction price per share and will not include any upfront commissions or other fees. Class C - S shares and Class C - I shares are only being offered pursuant to our distribution reinvestment plan and are offered at the transaction price per share. No commissions are paid with respect to Class F - I shares and the issuance of shares pursuant to our distribution reinvestment plan.

The February 1, 2025 transaction price for each of our share classes is equal to such class’s NAV per share as of December 31, 2024. As of December 31, 2024, we had not sold any Class F – S shares or Class C – S shares. As a result, the transaction price for our Class F – S shares is equal to the NAV per share for our Class F – I shares as of December 31, 2024 and the transaction price for our Class C – S shares is equal to the NAV per share for our Class C – I shares as of December 31, 2024. A detailed presentation of the NAV per share is set forth below.

December 31, 2024 NAV Per Share

NAV per share is calculated in accordance with the valuation guidelines that have been approved by our board of directors. Our NAV per share, which is updated as of the last calendar day of each month, will be reported through a monthly supplement to the Memorandum and through our investor portal, which is accessible to investors after completing their initial investment. Please refer to the section of the Memorandum titled “Net Asset Value Calculation and Valuation Procedures” for information on how our NAV is determined. While the Advisor is responsible for determining NAV, it has engaged, with the approval of our board of directors, including a majority of our independent directors, Altus Group U.S. Inc., a third-party valuation firm, to serve as our independent valuation advisor (“Altus Group” or the “Independent Valuation Advisor”) with respect to helping us administer the valuation and review process for the real properties in our portfolio, providing monthly

real property appraisals, reviewing annual third-party real property appraisals, providing monthly valuations of our debt-related assets and liabilities and assisting in the development and review of our valuation procedures. We have included a breakdown of the components of total NAV and NAV per share as of December 31, 2024.

Our total NAV presented in the following tables includes the NAV of our Class F – S and Class F – I (collectively, “Class F”) shares, Class C – S and Class C – I (collectively, “Class C”) shares, as well as OP Units held by parties other than FMREIT. The following table provides a breakdown of the major components of our NAV as of December 31, 2024 and November 30, 2024 (in thousands):

Components of NAV	December 31, 2024	November 30, 2024
Investment in real estate	\$750,590	\$752,090
Cash and cash equivalents	7,834	8,751
Other assets	13,116	13,020
Mortgage notes	(336,225)	(341,936)
Line of Credit	(56,287)	(55,287)
Other liabilities	(12,152)	(11,470)
Non-controlling interest	<u>(2,244)</u>	<u>(2,202)</u>
Aggregate Fund NAV	\$364,632	\$362,966
Total Fund Interests outstanding	18,957	19,014

Real estate values decreased by \$1.5 million from November 30, 2024 to December 31, 2024. The aggregate valuation of FMREIT’s mortgage notes decreased by \$5.7 million due to the increase in treasury indexes from November 30, 2024 to December 31, 2024.

As communicated previously, Class F and C shareholders and unitholders of record on December 30, 2024 were paid a monthly distribution of \$0.08333333 per share or OP Unit.

	November 30, 2024 NAV	Annualized Distribution	Annualized Distribution Rate
Class F-I Shares	\$19.0857	\$1.00000000	5.24%

The following table provides a breakdown of our total NAV and NAV per share/unit, by class, as of December 31, 2024 and November 30, 2024.

	Class F-S Shares	Class F-I Shares	Class C-S Shares	Class C-I Shares	Class F-I OP Units	Class C-I OP Units	Total
As of December 31, 2024							
Net asset value		\$12,456,846		\$4,850,858	\$270,368,361	\$76,955,715	\$364,631,780
Number of outstanding shares/units		647,776		251,996	14,059,584	3,997,750	18,957,106
NAV per share/unit as of 12/31/2024		\$19.2302		\$19.2498	\$19.2302	\$19.2498	N/A
As of November 30, 2024							
Net asset value		\$12,189,944		\$4,548,177	\$269,856,744	\$76,371,154	\$362,966,019
Number of outstanding shares/units		638,696		238,080	14,139,220	3,997,750	19,013,746
NAV per share/unit as of 11/30/2024		\$19.0857		\$19.1035	\$19.0857	\$19.1035	N/A

The valuations of our real properties as of December 31, 2024 were provided by the Independent Valuation Advisor in accordance with our valuation procedures. Certain key assumptions that were used by the Independent Valuation Advisor in the discounted cash flow analysis are set forth (on a weighted average basis) in the following table:

Property Type	Discount Rate	Exit Capitalization Rate
Multifamily ⁽¹⁾	7.26%	5.96%

⁽¹⁾ Includes one mixed-use property with space that is leased to a Whole Foods Market.

These assumptions are determined by the Independent Valuation Advisor (except for investments valued by a third-party appraisal firm and reviewed by the Independent Valuation Advisor). A change in these assumptions would impact the calculation of the value of our property investments. For example, assuming all other factors remain unchanged, the changes (on a weighted average basis) listed below would result in the following effects on our investment values:

Input	Hypothetical Change	Multifamily Investment Values ⁽¹⁾
Discount Rate	0.25% Decrease	1.87%
	0.25% Increase	-1.89%
Exit Capitalization Rate	0.25% Decrease	2.52%
	0.25% Increase	-2.43%

(1) Excludes the impact on the valuation of the Government Property Lease Excise Tax (GPLET) benefit at one of our properties.

Update on Our Assets and Activities

As of December 31, 2024, our consolidated investments include 17 multifamily properties totaling 3,539 units located in 14 markets throughout the U.S., which were 93.6% occupied.

As of December 31, 2024, our leverage ratio was 56.1% (calculated as outstanding principal balances on secured and unsecured debt, excluding any third-party interests in debt, divided by the fair value of our properties plus the value of any other assets).

As of December 31, 2024, our cash on hand was \$7.8 million and undrawn commitments under our line of credit were \$2.5 million. Our line of credit has maximum commitments of up to \$65.0 million and an effective interest rate of SOFR plus 2.75%. As of December 31, 2024, the maximum borrowing capacity on our line of credit was \$58.8 million.

The amount of aggregate gross proceeds raised from our private offering (including shares issued pursuant to the distribution reinvestment plan) during the month of December was \$0.4 million. The aggregate dollar amount of shares and OP units redeemed during the month of December 2024 was \$1.5 million. All eligible redemption requests have been honored in full.

From January 1, 2024 through December 31, 2024, the amount of aggregate gross proceeds raised from our private offerings (including shares issued pursuant to the distribution reinvestment plan) was \$11.8 million and the aggregate dollar amount of shares and OP units redeemed was \$17.3 million.