



# Forum Exchange Overview

Q4 2025



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# Forum Exchange



## Who should consider Forum Exchange?

### **REAL ESTATE OWNERS WHO:**

- Have significant built-in capital gains
- Want to avoid large tax liabilities when selling
- Are subject to gains from depreciation recapture
- Want to step away from actively managing property
- Are focused on estate or tax planning strategies

# Key Concepts of Tax-Deferred Exchanges

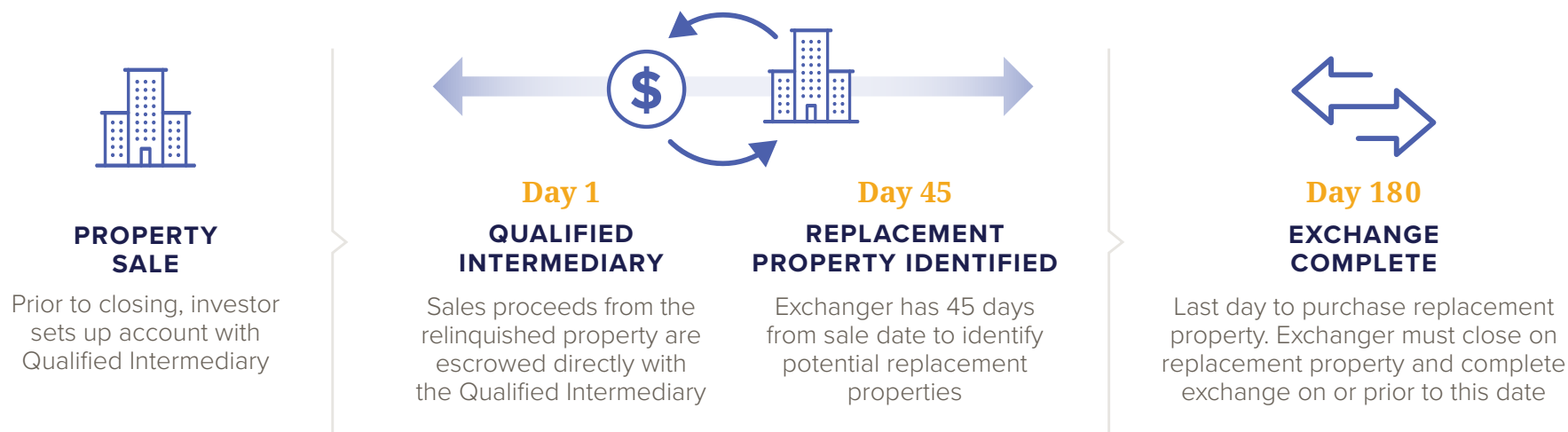
# What is a 1031 Exchange?

**A 1031 Exchange allows investors to sell qualifying real estate and reinvest the proceeds in “like-kind” real estate while deferring the payment of taxes from the original sale.**

- **Relinquished Property** - the property sold to begin a 1031 exchange
  - › To qualify, the property must be held for investment or used in a trade or business (e.g., rental property, commercial real estate, or land held for investment)
  - › To defer all gains, the value of the replacement property must be equal to or greater than the relinquished property's net selling price, and 100% of the net proceeds from the relinquished property sale must be reinvested
- **Replacement Property** - the property acquired to complete a 1031 exchange
  - › Investors cannot touch relinquished property sale proceeds at any point in the process; it must be moved through a third-party “**Qualified Intermediary**”

## TIMING IS KEY

To complete the 1031 exchange investors must comply with the 45-day identification and 180-day exchange deadlines.



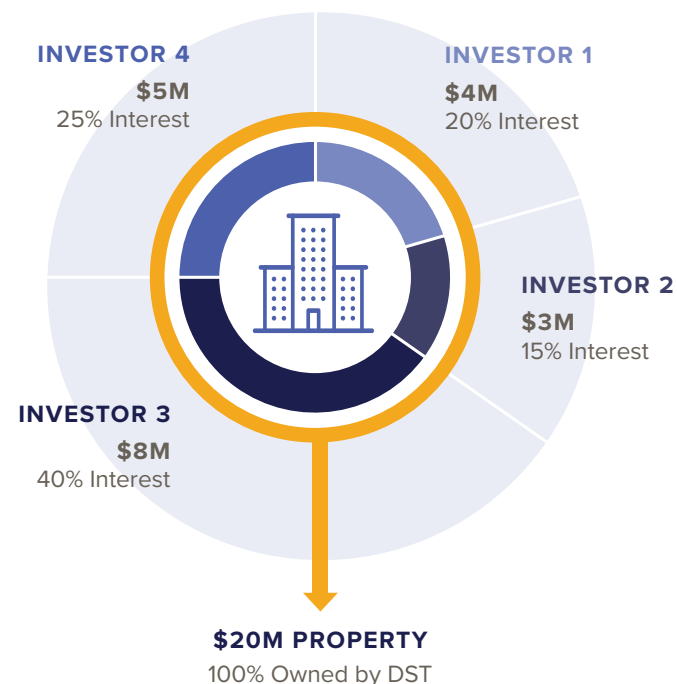


# What is a Delaware Statutory Trust?

**A Delaware Statutory Trust (“DST”) is an investment vehicle used by many 1031 Exchange programs to hold replacement properties.**

- Allows the investor to acquire the **precise dollar amount** of replacement property they need to complete their 1031 exchange by purchasing a percentage interest in the DST
- Interests in DSTs holding real estate are recognized by the IRS under Revenue Ruling 2004-86 as qualified replacement property for 1031 Exchanges
  - › DST activities are extremely limited in order to preserve real estate status for 1031 exchange purposes
- The DST holds title to the property for the benefit of the 1031 Exchange investors

## DELAWARE STATUTORY TRUST (DST)



# Hypothetical Investor Scenario

## Tax Deferral Benefits of a 1031 Exchange.

Taxes on the sale of appreciated real estate may be significant. A 1031 Exchange is one of the most effective investment tools for real estate owners looking to defer taxes on the sale of appreciated investment properties or properties used in a trade or business.

	<b>SCENARIO 1</b> Investor sells investment property & pays all tax liability.	<b>SCENARIO 2</b> Investor exchanges the investment property through a 1031 Exchange into a DST & defers tax liability.
<b>PURCHASE PRICE</b>	\$750,000	\$750,000
Depreciation	\$500,000	\$500,000
Adjusted Cost Basis	\$250,000	\$250,000
<b>SALE PRICE</b>	\$1,750,000	\$1,750,000
<b>TOTAL TAXABLE GAIN</b>	\$1,500,000	–
Depreciation Recapture Tax (25% of Depreciation)	\$125,000	–
Federal Long-term Capital Gains Liability (20% of Total Taxable Gain Less Depreciation Recapture)	\$200,000	–
State Tax (Assumed 13.3% Highest State Tax Rate)	\$199,500	–
Net Investment Income Tax (Assumed 3.8% of Total Taxable Gain)	\$57,000	–
<b>TOTAL TAXES DUE</b>	<b>\$581,500</b>	–
<b>NET PROCEEDS FOR INVESTMENT</b>	<b>\$1,168,500</b>	<b>\$1,750,000</b>

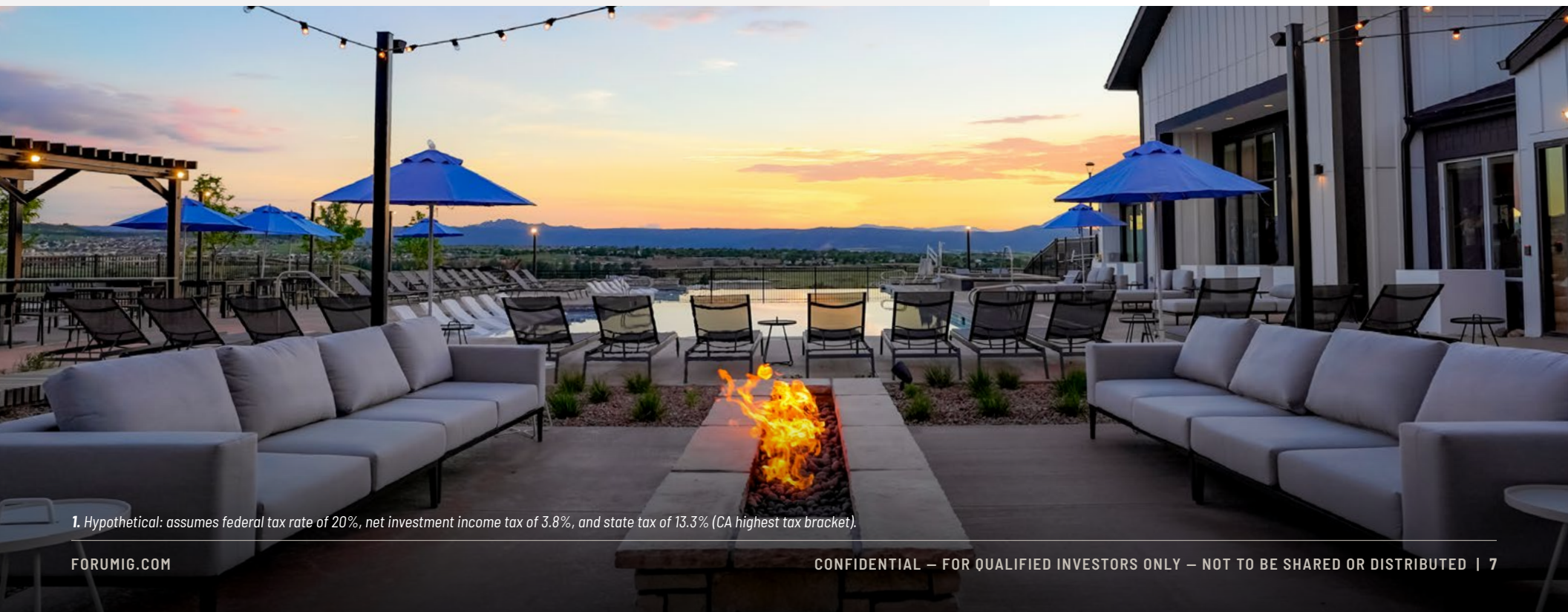
**Note:** For illustrative purposes only. Example is hypothetical and is not tax advice.

# Benefits of a 1031 Exchange into a DST

- **Tax Deferral:** Defer capital gains and other taxes on sale of relinquished property
- **Economic Benefits:** Receive ongoing income from Master Lease and potential capital appreciation
- **Passive Ownership:** Not responsible for active property management
- **Estate Planning:** Heirs receive a “step-up” in basis, eliminating deferred taxes

Taxes upon sales of real estate can exceed: **37%<sup>1</sup>**

A 1031 exchange is one of the most effective investment tools for real estate owners looking to defer taxes.



1. Hypothetical: assumes federal tax rate of 20%, net investment income tax of 3.8%, and state tax of 13.3% (CA highest tax bracket).



# What is a 721 Exchange?

**A 721 exchange allows an investor to contribute real property to a partnership in exchange for partnership interests on a tax-deferred basis.**

- Partnership interests received are equivalent in value to the property contributed
- Transaction is tax-deferred to the contributing investors
- Provides contributing investor exposure to all assets owned by the partnership





# What is an UPREIT?

**An Umbrella Partnership Real Estate Investment Trust (“UPREIT”) is a structure that enables a REIT, like Forum Multifamily Real Estate Trust, Inc. (“FMREIT”), to acquire properties through tax-deferred 721 Exchanges.**

- FMREIT owns all of its investments through a subsidiary partnership called its Operating Partnership.
- Equity interests in the Operating Partnership are called “OP Units”
- FMREIT is the general partner of the Operating Partnership
- When FMREIT issues commons shares, it takes the proceeds and acquires OP Units on a one-for-one basis
- Each OP Unit is the economic equivalent of and has the same Net Asset Value as a share of the corresponding class of the FMREIT's common stock
- The FMREIT Operating Partnership LP (“FMREIT OP”) can acquire real estate in exchange for OP Units in a transaction that is tax deferred for the seller
- Can redeem OP Units for cash or FMREIT shares<sup>1</sup>



<sup>1</sup> The redemption of OP Units, whether for cash or REIT shares, may be a taxable event

# Forum Exchange



# What is Forum Exchange?

**Forum Exchange combines a 1031 exchange into the DST with a potential 721 exchange into FMREIT OP into one simplified program.**

- With **Forum Exchange**, an investor first exchanges appreciated real estate (the relinquished property) for an interest in an FMREIT-sponsored DST that owns real estate through a 1031 exchange
- **721 exchange or UPREIT:** If the FMV Purchase Option is exercised<sup>1</sup>, the investor contributes its DST interest to FMREIT OP in exchange for interests called “OP Units”<sup>2</sup>

## **FORUM KEY TAKEAWAY:**

Since both the 1031 exchange and the 721 exchange are tax-deferred transactions, this allows the investor to potentially move from an active investment in real estate to a passive investment in OP Units without incurring taxes if the FMV Purchase Option is exercised

Forum Exchange provides a potential pathway from investment property to FMREIT OP Units.



**1031  
Exchange**



**Potential  
721  
Exchange**



**1.** The FMV Purchase Option, exercisable during the two (2) year period beginning two (2) years after the last sale of a DST interest in the offering, provides FMREIT OP the right, but not the obligation, to purchase investors' DST interests in exchange for OP Units or for cash at FMREIT OP's sole discretion. **2.** OP Units represent interests in FMREIT OP and are economically equivalent to, and receive the same gross distributions as, shares of FMREIT's common stock of the same class.

# Forum Exchange - Key Features

## The Master Lease<sup>1</sup>

**Predictable Cash Flow** – DST investors receive distributions supported by fixed monthly rent payments under a 20-year Master Lease, regardless of property occupancy or rent collections

**Net Lease Structure** – The Master Lease is a net lease, with operating expenses such as taxes and insurance borne by the Master Tenant<sup>2</sup>

**Credit Enhancement** – The Master Lease is guaranteed by FMREIT OP, adding an additional layer of financial support

## The Fair Market Value (FMV) Purchase Option<sup>3</sup>

FMREIT OP has the option to acquire 100% of the DST interests at their then-current fair market value.<sup>4</sup>

If exercised, investors exchange their DST interests for OP Units.<sup>5</sup>

- Commonly referred to as a **721 Exchange** or **UPREIT**
- Allows investors to access FMREIT's diversified multifamily portfolio on a **tax-deferred basis**

1. The Master Lease is guaranteed by FMREIT OP. 2. Master Tenant is a wholly-owned subsidiary of FMREIT OP. 3. The FMV Purchase Option, exercisable during the two (2) year period beginning two (2) years after the last sale of a DST interest in the offering, provides FMREIT OP the right, but not the obligation, to purchase investors' DST interests in exchange for OP Units or for cash at FMREIT OP's sole discretion. 4. Fair market value will be based on the value of the DST's properties subject to the Master Lease. 5. OP Units represent interests in FMREIT OP and are economically equivalent to, and receive the same gross distributions as, shares of FMREIT's common stock of the same class.



# Forum Exchange – Key Potential Benefits<sup>1</sup>

- **Aligned Distributions:** Receive the same gross distributions as holders of FMREIT common stock of the same class
- **Portfolio Diversification:** Gain exposure to FMREIT's institutional-quality multifamily real estate portfolio<sup>2</sup>
- **Liquidity Access:** OP Unit redemption program provides a potential pathway to liquidity<sup>3</sup>
- **Tax Efficiency:** Maintain tax-deferred status without the need for future 1031 exchanges
- **Flexible Estate Planning:** Interests can be more easily allocated or transferred as part of an estate plan

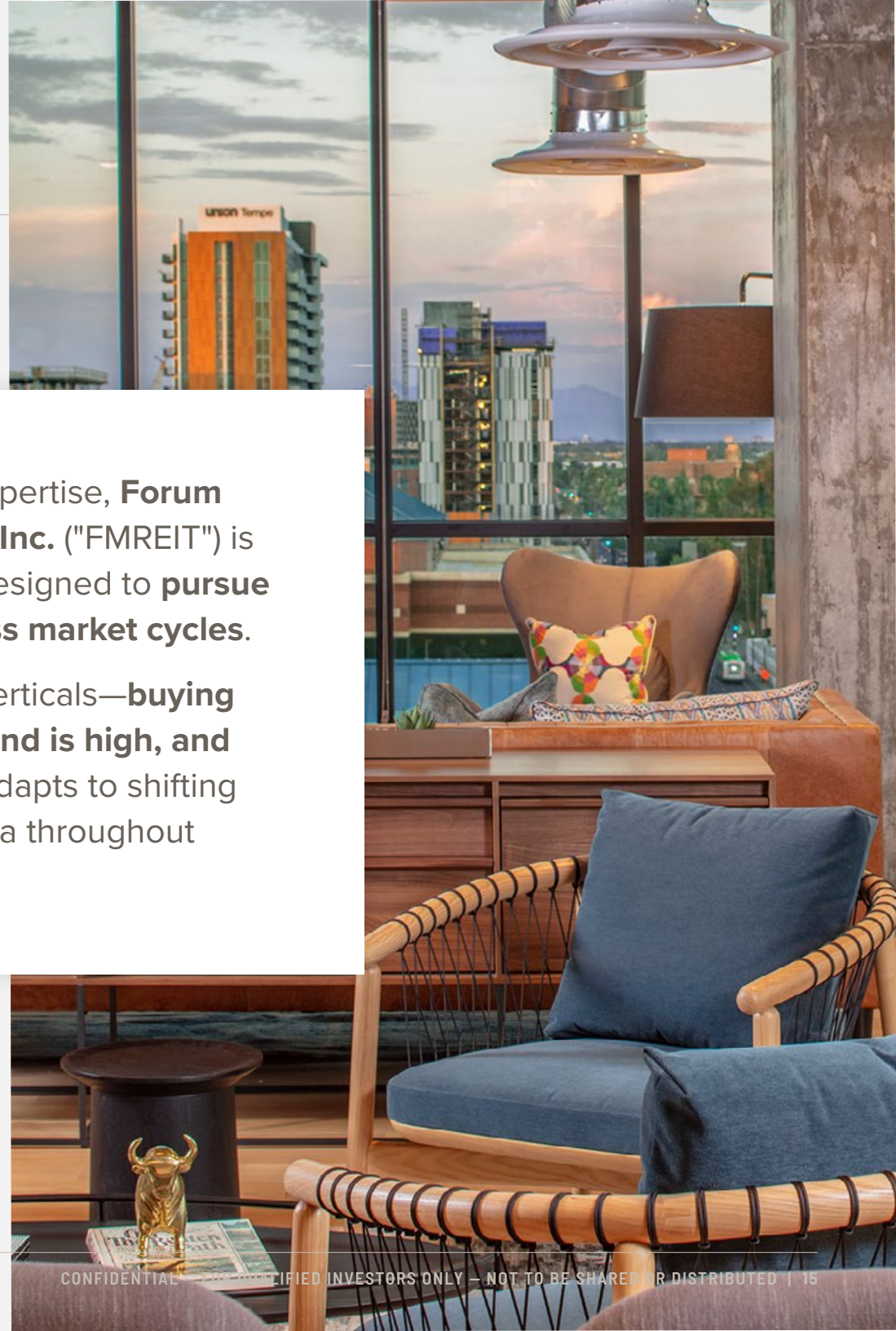
1. Assumes the FMV Purchase Option has been exercised in exchange for OP Units. Purchase Option is exercisable beginning two (2) years after the end of the DST syndication period. With Forum Exchange, FMREIT OP (and not the DST Investors) can elect to exercise the Purchase Option for cash or OP Units, although it is generally expected that OP Units will be utilized. FMREIT OP is under no obligation to exercise the Purchase Option and may choose not to do so. 2. Institutional quality refers to a portfolio of investment exposures that are typically only available to institutional investors as well as one that provides broad exposure by vintage year and geography. 3. Subject to the terms of the Second Amended & Restated Limited Partnership Agreement (as further amended, modified or supplemented).

# Forum Multifamily Real Estate Investment Trust

# Executive Summary

Built on Forum's 18+ years of multifamily expertise, **Forum Multifamily Real Estate Investment Trust, Inc. ("FMREIT")** is our flexible, flagship investment strategy designed to **pursue the best risk-adjusted opportunities across market cycles.**

By strategically investing across Forum's verticals—**buying when prices are low, building when demand is high, and lending when capital is scarce**—FMREIT adapts to shifting conditions with the goal of generating alpha throughout every phase of the market cycle.





# Why FMREIT?

## HIGH-CONVICTION STRATEGY:

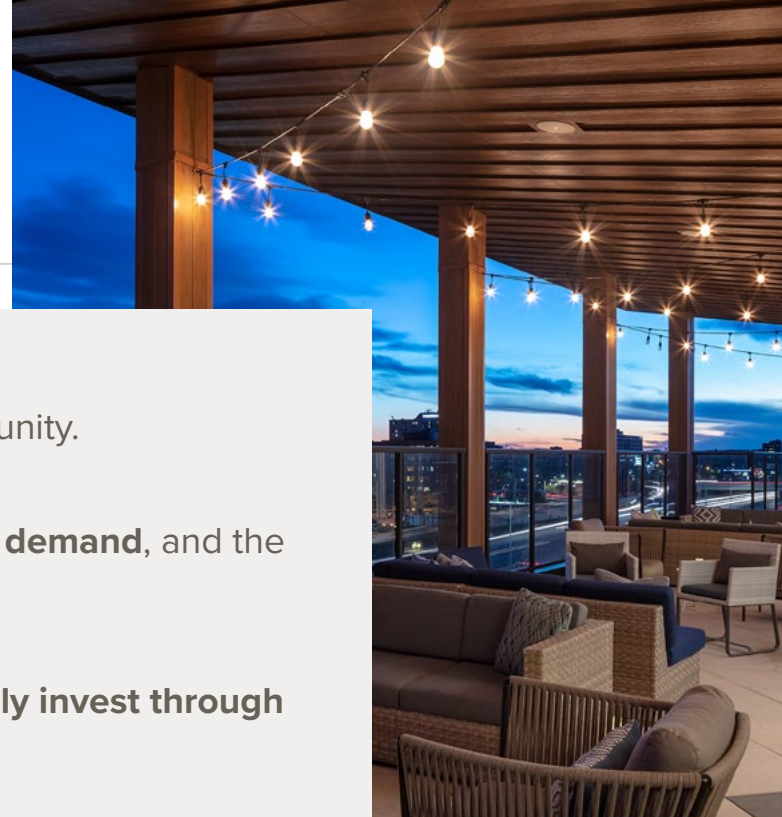
**We don't follow the market**—we invest where we see the greatest opportunity.

## MULTIFAMILY FOCUS<sup>1</sup>:

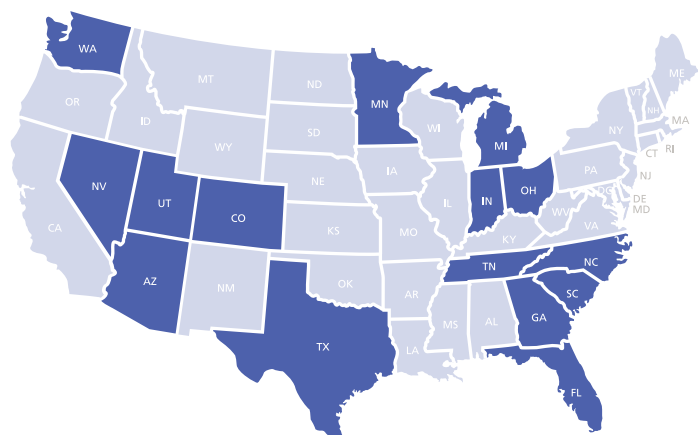
Backed by powerful tailwinds—**favorable demographics**, sustained **renter demand**, and the **fundamental need for housing**.

## FLEXIBLE APPROACH:

Ability to pivot across **acquisitions**, **development**, or **credit**—to **strategically invest through market cycles** with the aim to **capture value** and **manage risk**.



## Where We Acquire<sup>2</sup>



## Flexible Investment Strategy<sup>3</sup>

**Acquisition**

**Debt**

**Development**

**Co-GP**

## Tax-Advantaged REIT Structure<sup>4</sup>

- Distributions may be, in whole or in part, classified as "return of capital"
- Reduced U.S. federal income tax obligations for taxable individuals
- Form 1099-DIV tax reporting
- Eligible for 199A deduction of 20%

<sup>1</sup> Although FMREIT intends to focus its investment activities on multifamily apartments, its charter and bylaws do not preclude it from investing in other types of commercial property or real estate-related debt. <sup>2</sup> Please see a list of Forum's acquisition target markets at the end of this presentation. <sup>3</sup> FMREIT's investment strategy may include acquisitions, development, and real estate-related debt, and co-GP opportunities; however, any references to these potential investment types should not be interpreted as a commitment or guarantee that such investments will be made. <sup>4</sup> Because FMREIT is expected to have little to no positive tax earnings and profits in the short-term, early distributions may be made in a tax-deferred manner.



# Where We Find Opportunities

Leveraging Forum's **\$2.0B+ off-market pipeline**<sup>1</sup>, built through our established platforms and relationships, FMREIT can access a wide range of proprietary opportunities.

## Illustrative Avenues for Potential Off-Market Investments<sup>1</sup>:

### Tender Offers:

Potential to **purchase membership interests** in existing assets—resulting in a **tax efficient execution for the sellers** and **potentially creating value** for FMREIT.

### Private Credit-Driven Acquisitions:

**Acquiring or recapitalizing assets** from Forum's private credit portfolio.

### Targeted Credit Participation:

Participating in **select credit investments** and **GP co-investments alongside Forum**.

### Development & Future Acquisitions:

**Potential co-investment** in Forum-led development projects and future acquisitions through a **Delaware Statutory Trust (DST) vehicle**.

### Portfolio Optimization:

Strategic disposition of **select portfolio assets** and **redeploying capital** into **higher-growth opportunities**.

### Future Credit Vehicles:

Potential **GP co-investments** in future separate **account credit vehicles**.

<sup>1</sup> Estimates as of May 2025 based on active Forum investments. Figures are rounded for presentation purposes and are subject to change. Includes select holdings from other Forum vehicles. The opportunities referenced represent a pipeline of potential investments currently being monitored by Forum; there is no guarantee that any specific asset will be acquired, assumed, or pursued by Forum or any affiliated vehicle. All opportunities remain subject to underwriting, due diligence, and investment committee approval.

# Investment Strategy Framework






A differentiated, multi-strategy real estate approach integrating acquisitions, development, structured credit, and co-GP investments seeking to deliver compelling results.

	CATEGORY	DESCRIPTION	DESIRED PROFILE PARAMETERS <sup>2</sup>
A	<b>Opportunistic Multifamily Acquisitions</b>	Acquire high-quality multifamily properties in markets with strong job fundamentals and high-barriers to entry.	<b>10% - 14%</b>
B	<b>Subordinated / Mezzanine Loans</b>	Structure subordinated loans on transitioning multifamily assets that also provide a potential off-market acquisition opportunity.	<b>12% - 16%</b>
C	<b>Opportunistic Developments</b>	Ground-up multifamily development projects located in high-barrier to entry markets.	<b>22% +</b>
D	<b>Co-GP Investments</b>	Investments alongside seasoned owner / operators that provide access to potential opportunities while sharing in the sponsor economics.	<b>30% +</b>

**1.** The information presented herein is for illustrative purposes only and reflects a potential investments based on current market assumptions. Actual portfolio holdings, allocations, and performance may differ materially and are subject to change without notice. This is not a guarantee or prediction of future results. All investments involve risk, including the potential loss of principal. **2.** Desired Profile Parameter figures are provided for illustrative purposes only. They are based on current market conditions, estimated portfolio composition, and other assumptions that may not occur. Desired Profile Parameters are not a guarantee or prediction of future results, and actual performance may differ materially. All investments carry risk, including the potential loss of principal. **Co-GP investments:** Investors contribute capital alongside the Forum Investment Group, or certain affiliates, gaining exposure to certain economics (including promote/carried interest) rather than investing solely as a limited partner / shareholder. **Mezzanine Loans:** A type of subordinated debt positioned between senior debt and equity in the capital stack, offering higher returns to lenders in exchange for higher risk, and often secured by a pledge of the borrower's equity rather than the property itself.

# Top Investment Holdings

AS OF QUARTER END (SEPTEMBER 30, 2025)

ASSET NAME	 THE LOCAL	 TALO	 THE DIPLOMAT	 TWENTY25 BARRETT	 THE KNOL
LOCATION	Tempe, AZ	Golden Valley, MN	Silverdale, WA	Kennesaw, GA	Kent, WA
YEAR BUILT / RENOVATED	2019	2018	1991 / 2017	2013	1985 / 2019
YEAR ACQUIRED	2017	2016	2019	2021	2020
NUMBER OF UNITS	286	303	210	238	215
NET RENTABLE SQUARE FEET	212,043	241,992	191,520	235,574	146,810
PERCENT OCCUPIED <sup>1</sup>	94.7%	94.8%	94.3%	94.3%	91.3%
AVERAGE RENT/ MONTH <sup>2</sup>	1,996	1,861	1,946	1,705	1,712
PERCENT OF PORTFOLIO NOI <sup>3</sup>	16.9%	10.1%	8.5%	7.7%	7.2%

**Note:** Top Investment Holdings selected as the largest five holdings by percentage of portfolio NOI as of September 30, 2025. **1.** Percent occupied is calculated as Average Occupied Units/Total Units. **2.** Average Rent/Month is Net Rental Income/Average Occupied Units. **3.** Based on September 30, 2025 trailing twelve months NOI figure.

# Monthly Highlights and Performance

## PORTFOLIO HIGHLIGHTS (AS OF 10/31/2025)

100%  
MULTIFAMILY  
SECTOR<sup>1</sup>

\$800.4M  
GROSS ASSET VALUE<sup>2</sup>

\$404.4M  
NET ASSET VALUE<sup>3</sup>

2.25  
BLENDED  
DSCR<sup>4</sup>

17  
MULTIFAMILY  
PROPERTIES

3,539  
MULTIFAMILY  
UNITS

93.4%  
OCCUPANCY<sup>5</sup>

51.1%  
LEVERAGE<sup>6</sup>

5.20%  
CLASS F-I SHARES  
ANNUALIZED DISTRIBUTION RATE<sup>7</sup>

4.35%  
CLASS F-S SHARES NET ANNUALIZED  
DISTRIBUTION RATE (NO SALES LOAD)<sup>7</sup>

4.22%  
CLASS F-S SHARES NET ANNUALIZED  
DISTRIBUTION RATE (WITH SALES LOAD)

2023  
ROLL-UP & LAUNCH

- Launched in 2023 with the **roll-up of 17 seed assets**.
- 2023 performance declined amid **discount rate repricing and rate volatility**.

2024  
RECOVERY

- Performance stabilized in 2024, delivering a **+1.87% annual return**.
- Driven by **stable property-level NOI** and **disciplined portfolio oversight**.

2025  
PERFORMANCE

- Delivered **+4.47% total net return YTD** through October 31, 2025.
- Management addressed challenges by **locking in debt adjustment** as of March 31, 2025.
- Achieved a **+5.10% trailing 12-month net return**, reflecting disciplined portfolio management and long-term value creation

## PERFORMANCE AND DISTRIBUTIONS SUMMARY<sup>6</sup> (AS OF 10/31/25)

	NAV <sup>3</sup> PER SHARE	MONTHLY NET DISTRIBUTION PER SHARE <sup>8</sup>	TOTAL NET RETURNS <sup>9</sup>				
			MTD	QTD	YTD	1-YEAR	SINCE INCEPTION
CLASS F-I SHARES	\$19.2560	\$0.08333333	0.63%	0.63%	4.47%	5.10%	-3.22%
CLASS F-S SHARES (NO SALES LOAD)	\$19.2747	\$0.06970791	0.56%	0.56%	4.65%	—	4.65%
CLASS F-S SHARES (WITH SALES LOAD)	\$19.2747	\$0.06970791	-2.36%	-2.36%	1.60%	—	1.60%

Class F-I shares were previously referred to as Class F shares. First shares purchased as of: October 2, 2023. Inception Price: August 31, 2023 NAV/Share.  
Class F-S shares first purchased as of: January 2, 2025. Inception Price: November 30, 2024 NAV/Share.

1. Although FMREIT intends to focus its investment activities on multifamily apartments, its charter and bylaws do not preclude it from investing in other types of commercial property or real estate related debt. 2. Gross asset value is the fair value of the properties as determined by FMREIT's independent valuation advisor plus the value of any other assets based on unaudited financial statements as of September 30, 2025. 3. Net asset value ("NAV") is calculated in accordance with the valuation guidelines approved by FMREIT's board of directors. NAV is not a measure used under generally accepted accounting principles ("GAAP") in the United States and the valuations of and certain adjustments made to our assets and liabilities used in the determination of NAV will differ from GAAP. You should not consider NAV to be equivalent to stockholders' equity or any other GAAP measure. For information on how FMREIT calculates NAV, please contact investor relations. 4. Blended debt service coverage ratio ("DSCR") is calculated taking the total current trailing 12 months net operating income ("NOI") divided by the total current trailing 12 months debt service. NOI is based on unaudited financial statements. 5. Reflects outstanding principal balances on secured and unsecured debt, excluding any third-party interests in debt, as a percentage of gross asset value as of September 30, 2025. The leverage does not reflect the market value adjustment of the debt that is included in the NAV calculation. 6. Distributions are not guaranteed and are subject to the discretion of FMREIT's board of directors. FMREIT may pay distributions from sources other than cash flows from operations. 7. Reflects the current month's distribution annualized and divided by the prior month's NAV. 8. Reflects the current month's distribution. Distributions are not guaranteed and may be funded from sources other than cash flow from operations, including, without limitation, borrowings, the sale of FMREIT's assets, repayments of its real estate debt investments, return of capital or offering proceeds, and advances or the deferral of fees and expenses. FMREIT has no limits on the amounts it may fund from such sources. Class F-S shares monthly net distribution is net of any applicable investor servicing fees. 9. Total net return assumes that distributions are reinvested in additional shares and is calculated as the change in NAV per share from the beginning of the applicable period plus any net distribution per share declared during the period (if any). The inception date for the Class F-I shares was October 1, 2023, with an initial NAV of \$22.0482 per share (determined as of August 31, 2023). The inception date for the Class F-S shares was January 2, 2025, with an initial NAV of \$19.0857 per share (determined as of November 30, 2024). Individual investors' returns will vary. Total net return is not a measure used under GAAP. Total net returns have been prepared using unaudited data and valuations of the underlying investments in the FMREIT portfolio, which are estimates of fair value and form the basis for FMREIT's NAV. Valuations based upon unaudited reports from the underlying investments may be subject to later adjustments, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated. Class F-S shares listed as (no sales load) exclude the maximum upfront selling commission of 3.0%. Class F-S shares listed as (with sales load) assume payment of the maximum upfront selling commission of 3.0%. Past performance is no guarantee of future results.



# Disclosures

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This presentation is for general informational and educational purposes only and does not constitute an offer or solicitation to invest in any investment, products, or securities. This presentation should also not be construed as investment, legal, tax, or any other professional advice. Any statement herein regarding any U.S. federal tax regulations or potential tax consequences is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding any tax liabilities or penalties. Any such statement herein is intended for informational purposes only. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Investment in any transaction involves a high degree of risk, and investors should not invest in such transaction unless they can afford to lose their entire investment.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TRANSACTION AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. ANY TRANSACTIONS LISTED HEREIN HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THESE AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRESENTATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE U.S. SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR SELLING LITERATURE.

INVESTORS SHOULD CAREFULLY CONSIDER THE RISK FACTORS. AN INTEREST SHOULD BE PURCHASED ONLY BY INDIVIDUALS FAMILIAR WITH THE CONTENT OF ANY TRANSACTION AND WHO ARE ABLE TO BEAR THE RISKS ASSOCIATED WITH SUCH TRANSACTION.

## **FORWARD-LOOKING STATEMENTS**

This presentation may contain certain forward-looking statements that are based on current expectations (but which are not based on any prior operating history). In light of the numerous factors that can materially affect results, including those set forth in this newsletter, the inclusion of any such forward looking information herein should not be regarded as a representation by Forum, its manager or any other person that the Forum objectives will be achieved. Forward-looking statements contained herein, or other statements made for or on behalf of Forum or their affiliates, from time to time, are not guarantees of future performance or tax situations and involve certain risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements.

An investment in Forum Multifamily Real Estate Investment Trust, Inc. ("FMREIT" or the "Company") is subject to significant risks. Full loss of principal is possible. Shares have limited liquidity and may be illiquid at times; investors should be prepared to hold them indefinitely. There is no assurance the Fund will achieve its investment objective. Please review the PPM for a full description of risks before investing.

# Important Information

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The Forum Exchange I DST is considered highly speculative, illiquid, and should only be considered by investors who can bear such risk for an indefinite period and can afford a complete loss of investment. There is no guarantee that any income will be generated, or distributions will be made. There may be restrictions on transferring interests in the fund. There is no secondary market for the investor's interest in the fund, and none is expected to develop. There can be no assurance that investments will be available for investment by the Fund or that available investments will meet the Fund's investment criteria.

## RISKS

### Trust Structure, Master Lease, and Operations

**Inflexibility of the Trust as a Vehicle to Own Real Property; Inability to Take Business Actions.** The Trust Manager has attempted to structure the Trust so that it is the passive owner of the Project. The Trust is an inflexible investment vehicle for owning real property. It lacks the ability to change its course of action due to circumstances beyond its control. If circumstances beyond the control of the Trust occur, the Trust will not have the ability to change its business. If adverse circumstances arise for any reason, the Trust cannot enter into or obtain financing for the Project, invest any cash held by the Trust (including reserves) in anything other than short-term obligations that mature prior to the next distribution date and which obligations are required to be held until maturity, accept additional contributions, or renegotiate the Master Lease with the Master Tenant (other than because of the bankruptcy or insolvency of the Master Tenant).

**Holders Do Not Have Legal Title to the Project.** The Holders will not have legal title to the Project. Rather, they will only hold beneficial interests in the Trust. The Holders will not have the right to seek an in-kind distribution of the Project or to partition the Project. The sole right of the Holders is to receive distributions from the Trust (when and if such distributions are made pursuant to the Trust Agreement). An Interest only provides a Holder with a beneficial interest in the Trust. The only assets of the Trust are the Project and the Operating Reserves. Thus, investment by a Holder will not be diversified.

**Limited Governance Rights and Reliance on FMREIT and the Advisor.** Under the Operating Partnership Agreement, holders of OP Units have no voting rights with respect to the Operating Partnership, except certain rights with respect to material and adverse amendments to provisions in the Operating Partnership Agreement relating to redemption rights, distributions, allocations of profit and loss to the limited partners and capital contributions. All decisions regarding the management of the Operating Partnership's affairs will be made exclusively by FMREIT with the advice of the Advisor and not the limited partners of the Operating Partnership. Accordingly, investors must entrust all aspects of management to FMREIT. You must carefully evaluate the personal experience and business performance of the officers of FMREIT and the Advisor, which will provide recommendations to the board of directors of FMREIT.

**Reliance on Management.** The Project is subject to the Master Lease with the Master Tenant, a subsidiary of the Operating Partnership and an Affiliate of the Depositor. The Master Tenant entered into a management agreement with the Property Manager to manage the day-to-day operations of the Project. As long as the Master Lease is in effect and except as otherwise provided in the Master Lease, the Master Tenant will have the exclusive right to lease, operate and maintain the Project. Accordingly, no person should purchase an Interest unless that person is willing to entrust all aspects of management of the Project to the Master Tenant and the Property Manager. (or the Trust converted) to the Springing LLC, and there can be no assurance that the Holders will be able to obtain a successor master tenant or in the alternative, a property manager.

**New Venture.** The Trust is newly formed with no history of operations and limited assets. The Trust is subject to the risks involved with any speculative new venture. No assurance can be given that the Trust will be profitable. Although certain principals of the Trust Manager have experience owning and operating multifamily properties, the Trust Manager is newly formed and therefore has no experience owning or operating multifamily communities, no experience managing a Delaware statutory trust and has limited capital.

**Additional Capital Requirements.** To the extent funds are not available from operations, the Operating Partnership may require loans or additional capital for capital expenditures or operations. There can be no assurance that such loans or additional capital can be arranged or what the terms would be. In addition, it is anticipated that loans obtained to acquire the Project may restrict the ability of the Operating Partnership to obtain secondary financing.

**Distributions.** The Operating Partnership has not established a minimum distribution payment level. However, the Operating Partnership bears all expenses incurred by its operations, and its funds generated by operations, after deducting these expenses, may not be sufficient to cover desired levels of distributions to limited partners in the future. Additionally, the Operating Partnership is not limited in the sources of cash that may be available for distributions. The Operating Partnership may make distributions from any source, including working capital and/or refinancing proceeds. Distributions paid from sources other than current or accumulated earnings and profits may constitute a return of capital.

# Important Information Continued

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## **Real Estate**

**General Risks of Investment in the Project.** The economic success of an investment in the Trust will depend on the operations of the Project, which will be subject to those risks typically associated with an investment in real estate. Fluctuations in occupancy rates, rent and operating expenses can adversely affect operating results or render the sale of the Project difficult or unattractive. No assurance can be given that certain assumptions as to the future levels of occupancy of the Project or future costs of operating the Project will be accurate because such matters will depend on events and factors beyond the control of the Master Tenant and the Property Manager.

**No Diversification.** The Trust has no plans to acquire or develop any properties or investments other than the Project. The only assets of the Trust are the Project and the Operating Reserves. Thus, the Trust will have no diversification with respect to its assets and the Trust will be dependent on the results of operation of the Project. A decline in the real estate market in which the Project is located, or the occurrence of any one of many other adverse circumstances, could substantially and adversely affect the performance of the Project and the return to the Holders.

**Illiquidity of Real Estate Investments.** The ownership of the Project will be relatively illiquid. Such illiquidity will limit the ability of the Trust to sell the Project.

**Occupancy.** According to the Rent Roll, the Project is approximately 86.90% leased as of November 18, 2025. There can be no assurance that the Project can maintain the current occupancy level. If tenants (i) do not renew or extend their leases, (ii) default under their leases or (iii) terminate their leases, the operating results and financial viability of the Project could be substantially affected. [The Financial Forecast assumes a minimum occupancy rate and certain rental rates for the Project, but there can be no assurances that the Project will be substantially occupied at the projected rents.]

## **Risks Related to the FMV Option**

**The Interests are subject to the FMV Option.** The Interests are subject to the FMV Option. The purchase price of the Interests in the Offering is higher than the price paid by the Trust pursuant to the purchase agreement with the Seller. The FMV Option is exercisable at the Trust Value. There can be no guaranty that the Trust Value will be equal to or greater than the price originally paid by the Holders for the Interests.

**Holders Have No Control of Exercise of FMV Option.** The Operating Partnership will decide, in its sole discretion, whether or not to exercise the FMV Option. The Holders have no control over this decision including with respect to the timing of the exercise of the FMV Option and whether the Operating Partnership may offer cash or OP Units in connection therewith. The FMV Option could be exercised at any time during its term, including at a time when the Trust Value is lower than the amount paid by the Holders for the Interests. The Operating Partnership will be acting in its best interests when making any decision to exercise the FMV Option.

**No Future Section 1031 Exchange if FMV Option is Exercised.** If the FMV Option is exercised and the Operating Partnership acquires the Interest in exchange for OP Units, the Holders will become limited partners in the Operating Partnership. Partnership interests do not qualify as real estate for purposes of Code Section 1031. As a result, in such case, the Holders will not be able to participate in a Code Section 1031 exchange upon the disposition of their OP Units in the event the FMV Option is exercised.

## **Risks Relating to the Offering and Lack of Liquidity**

**Limited Transferability of the Interests.** Each Holder will be required to represent that such Holder is acquiring an Interest for investment and not with a view to distribution or resale, that such Holder understands the Interests, the OP Units and the FMREIT shares are not freely transferable and, in any event, that such Holder must bear the economic risk of investment in the Trust for an indefinite period of time because the Interests have not been registered under the Securities Act or certain applicable state securities laws, and that the Interests cannot be sold unless they are subsequently registered or an exemption from such registration is available. There will be no market for the Interests and a Holder cannot expect to be able to liquidate its investment in case of an emergency. It is likely that the sale of Interests, the OP Units or the FMREIT shares will be subject to a discount relative to the fair market value of the Project which may result in a loss of a portion of a Holder's initial investment in Interests. Further, the sale of the Interests may have adverse material federal income tax considerations.

**No Redemption Rights.** The Holders have no redemption rights relating to their Interests. The Holders should not invest in the Trust if they have a need for liquidity in this investment.

**Estimates, Opinions and Assumptions.** No representation or warranty can be given that the estimates, opinions or assumptions made herein will prove to be accurate. Any such estimates, opinions or assumptions should be considered speculative and are qualified in their entirety by the information and risks disclosed in this Memorandum. The assumptions and facts on which any estimates or opinions herein are based are subject to variations that may arise as future events actually occur. There can be no assurance that actual events will correspond with the assumptions. Prospective Holders are advised to consult with their tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Neither the Trust Manager nor any other person or entity makes any representation or warranty as to the future profitability of the Trust.

**The Forum Exchange I DST Memorandum and the FMREIT Memorandum should be read in their entirety before making an investment decision.**

Foreside Fund Services, LLC, is the Managing Broker-Dealer. Forum Capital Advisors LLC and Foreside Fund Services, LLC are not affiliated.



Thank You.

