



Investment Strategy

The USQ Core Real Estate Fund is a closed-end interval fund.

- **Access**

The Fund seeks to provide both current income and capital appreciation through access to private real estate funds that are members of the NFI-ODCE NR Index.

- **Moderate Volatility**

The underlying private real estate funds invest in commercial properties with limited leverage and high occupancy rates, and are generally leased to tenants with high credit ratings.

- **Low Correlation**

Diversification benefits may be obtained when private real estate is added to a traditional equity/bond portfolio.

Market Overview

The third quarter of 2021 was a reminder that markets sometimes grind along, rather than go straight up. The recovery that started to take hold in the second quarter proved to be a bit more volatile than many expected. Covid-19 confirmed infection rates increased throughout the quarter and supply chain disruptions led to upward pressure on inflation. Given that backdrop, the S&P 500 posted a very modest 0.58%. Fixed income returns were positive but only by a meager 0.05% (Bloomberg Barclays U.S. Agg. Bond Index TR). Publicly traded REITs (as measured by the MSCI US Real Estate Index NR) also cooled; posting a 0.74% return for the quarter. Core private real estate however, (as measured by the NFI-ODCE NR) had a record quarter posting a 6.42% return.

Although markets were more volatile this quarter and the economic recovery slowed, we expect growth to reaccelerate later this year and into 2022. That said, we are watching unemployment and inflation closely as both have the potential to impact the recovery. The unemployment picture in the U.S. has certainly improved from last year, with the economy recovering about 75% of the jobs that were lost last year. However, there is still a long way to go before all the lost jobs are recovered. Additionally, wage growth has increased to its highest levels since the 1980s and that has many worried that inflation may not be as transitory as previously thought. Speaking of inflation, Consumer Price Index (CPI) and the Personal Consumption Expenditures (PCE) deflator have both been running well above the long-term target of 2%. While the Federal Reserve believes this is likely due to the supply chain disruptions we are experiencing, it is something that warrants monitoring.

As it relates to commercial real estate, especially private real estate (as measured by the NFI-ODCE), the third quarter was very strong. Many of the negative assumptions that were put into valuation models last year continued to be reversed as leasing activity increased and cap rates declined in certain markets. Industrial properties continued to be the primary driver of returns, which has been a consistent story for the past few years. Multi-family properties appreciated as well, and we believe the sector now has a strong tailwind behind it. As new home supply continues to be well below demand, and mortgage rates continue to increase, multi-family investors should be rewarded with stronger returns. Office properties showed signs of optimism as leasing activity continued to increase and many employers began implementing their return to office plans. Finally, retail properties, especially grocery anchored and necessity based, saw slight increases this quarter.

As we mentioned in previous quarters, we believe the prudent and diversified approach of the NFI-ODCE managers has rewarded investors throughout the downturn and while aiming to reward investors throughout the recovery. Although the recovery slowed this quarter which sent broad-based equity markets down, private real estate proved to be a good diversifier. Moving forward, we believe the abundance of capital available in the market, low interest rates, demand for core product, and the income stability within the NFI-ODCE should bode well for the type of core commercial real estate in which the fund invests. Furthermore, as worries of inflation continue to dominate the headlines, it is worth noting that commercial real estate has traditionally been a good hedge against these environments.

We appreciate your investment in the Fund and wish you all the best as we continue on the path to normalcy.



Quarterly Fund Highlights

The Fund continued delivering on its objective of providing a non-correlated return stream with stable income.

The Fund had a positive return of 5.91%, its strongest quarter since inception, and maintained our quarterly distribution since inception.

The Fund continues to grow as a result of the strong performance and low correlation to most asset classes.

The Fund seeks this diversification by investing its private real estate allocation exclusively in private funds comprising the NFI-ODCE, which has served the Fund's shareholders well so far through this downturn and we believe will offer an improved chance of resilience and recovery going forward.

Returns for periods ended 9/30/2021

	Annualized Total Return					
	QTD	YTD	1 Yr	3 Yr	5 Yr	Since Inception 9/27/2017
Class I Shares: USQIX	5.91%	11.30%	12.01%	5.61%	N/A	5.83%
S&P 500 TR	0.58%	15.92%	30.00%	15.99%	16.90%	16.47%
Bloomberg Barclays U.S. Agg. Bond Index TR	0.05%	-1.55%	-0.90%	5.36%	2.94%	3.67%
MSCI U.S. REIT NR Index	0.75%	22.15%	35.77%	8.82%	5.55%	7.17%
NFI-ODCE NR	6.41%	12.41%	13.64%	6.13%	6.56%	6.52%

The performance quoted represents past performance. Past performance does not guarantee future results. The current performance may be lower or higher than the performance data quoted. The investment return and principal value of the Fund will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month end may be obtained by calling 1-833-877-3863.

Fund returns reflect actual fee waivers and reimbursement of expenses for the time periods represented. Had fees and expenses not been waived and reimbursed, returns would have been lower. See the prospectus for more information on current fees and expenses. All investing involves risk, including the possible loss of principal. Performance for periods less than one year is not annualized. Since Inception performance of the NFI-ODCE NR is as of 10/2/2017, due to quarterly calculation of the index.

Fund Facts

	Ticker	CUSIP	Inception Date	Investment Minimum*	12b-1 Fee	Net Expense Ratio
Class I Shares	USQIX	90351Y101	9/27/2017	\$25,000	None	0.96%

Class I gross expenses are 1.86% and net expenses are 0.96%. Net fees are based on a contractual fee waiver and reimbursement agreement that will continue indefinitely until terminated by mutual agreement of the Adviser and the Fund, including consent of the Fund's Board.

*Investment minimums are waived for certain investors. See the Prospectus for additional details.

Definitions

Correlation is a statistic that measures the extent to which two asset classes (or securities) move in relation to each other. Two asset classes that have a high correlation move in the same direction as markets rise and fall. Two asset classes with negative or inverse correlation move in opposite directions as markets rise and fall. The closer the correlation statistic between two asset classes is to zero, the more independently the asset classes move with respect to each other.

Consumer Price Index (CPI) – A common measure of inflation, Headline CPI tracks a broad basket of goods and services relatable to most consumers. Core CPI excludes Food and Energy due to the volatile nature of those categories and the distortive effect it can have on the broader inflation measure.

Gross Domestic Product (GDP) – GDP is a basic measure of U.S. economic output. Alternatively, it can be thought of as the final value of all goods and services produced within the U.S.

Personal Consumption Expenditures (PCE) deflator – The PCE deflator is a measure of inflation based on changes in domestic personal consumption.



Indexes

BBgBarc U.S. Agg Bond Index The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted index for U.S. dollar denominated investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

The MSCI US REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs. With 139 constituents, it represents about 99% of the US REIT universe and securities are classified in the Equity REITs Industry (under the Real Estate sector) according to the Global Industry Classification Standard (GICS®). It however excludes Mortgage REIT and selected Specialized REITs.

NFI-ODCE The NCREIF Fund Index — Open-end Diversified Core Equity (NFI-ODCE) consists of private real estate equity funds that meet certain criteria with respect to such things as leverage (less than 35%), operations (at least 75% invested in properties that are 75% or more leased), sector and geographic diversification, and investment in core real estate (at least 75% in office, industrial, apartment and retail properties).

S&P 500 Index S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

Fund holdings and sector and geographic allocations are subject to change and are not recommendations to buy or sell securities.

One cannot invest directly in an index.

Risk Disclosures

Investing in the Fund's shares involves substantial risks, including the risks set forth in the "Risk Factors" section of this prospectus, which include, but are not limited to the following: Investing in real estate entails special risks, including (i) changes in general economic and market conditions; (ii) changes in the value of real estate properties; (iii) risks related to local economic conditions, overbuilding and increased competition; (iv) increases in property taxes and operating expenses; (v) changes in zoning laws; (vi) casualty and condemnation losses; (vii) variations in rental income, neighborhood values or the appeal of property to tenants; (viii) the availability of financing and (ix) changes in interest rates and leverage. There are also special risks associated with particular real estate sectors, or real estate operations generally. The Fund is not intended to be a complete investment program, but instead as a way to help investors diversify into real estate. Diversification does not ensure a profit or guarantee against a loss. There currently is no secondary market for the Fund's shares and the Adviser does not expect that a secondary market will develop. Limited liquidity is provided to shareholders only through the Fund's quarterly Repurchase Offers for no less than 5% of the Fund's shares outstanding at net asset value. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly Repurchase Offer.

Other Important Disclosures

The Fund's distribution policy is to make quarterly distributions to shareholders. The level of quarterly distributions (including any return of capital) is not fixed. However, this distribution policy is subject to change. The Fund's distribution amounts are calculated based on the ordinary income received from the underlying investments, including short-term capital gains realized from the disposition of such investments. Shareholders should not assume that the source of a distribution from the Fund is net profit. A portion of the distributions consist of a return of capital based on the character of the distributions received from the underlying holdings, primarily Real Estate Investment Trusts. The final determination of the source and tax characteristics of all distributions will be made after the end of the year. Shareholders should note that return of capital will reduce the tax basis of their shares and potentially increase the taxable gain, if any, upon disposition of their shares. There is no assurance that the Fund will continue to declare distributions or that they will continue at these rates.

By investing in the Fund, a shareholder will not be deemed to be an investor in any underlying fund in which the Fund invests and will not have the ability to exercise any rights attributable to an investor in any such underlying fund.

Before investing in the Fund, you should carefully consider the Fund's investment objectives, risks, fees and expenses. For a copy of a prospectus which contains this and other information, please visit our website at www.usqfunds.com or call 1-833-USQ-FUND [1-833-877-3863]. Please read the Fund's prospectus carefully before investing.

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