

ESSENTIAL INCOME STRATEGY CLASS I

4th Quarter 2022 Report

January, 2023

Dear ExchangeRight Essential Income Strategy Class I Investor,

On or about the 15th of this month, you will be receiving your monthly distribution from the ExchangeRight Essential Income Strategy. Our inception-to-date distributions continue to be fully covered by operations and our REIT continues to perform well, despite the significant economic volatility and market disruption that continued through the quarter.

Throughout Q4 2022, we received 100% of scheduled rent across all properties in the Essential Income Strategy and for all net-leased portfolios managed by ExchangeRight, supporting uninterrupted investor distributions.

The REIT's investment strategy continues to remain effective even amidst rapidly increasing interest rates and economic turbulence. This is due to the strength of our tenants and the industries in which they operate, the REIT's moderate debt levels and its favorable long-term fixed-rate financing. With an in-place acquisitions pipeline of \$2.8+ billion of real estate and the majority of that pipeline featuring long-term fixed-rate financing locked at attractive rates, the REIT remains well positioned to continue executing on its aggregation strategy while maintaining the distribution levels we have underwritten on behalf of investors.

Portfolio Update

The Essential Income Strategy REIT acquired 186 properties during the year. Investors entrusted the REIT with \$260 million of invested capital in 2022 and \$598 million of investment capital inception-to-date. Redemption requests, inception-to-date including due to death, totaled approximately \$8.6 million, or only 1.44% of the equity raised since inception.

We acquired 22 new assets during Q4, bringing the acquired assets to 336 properties, diversified by 37 national creditworthy tenants and totaling over 4.5 million square feet across 34 states. The new assets enhance the REIT's existing diversification and are primarily leased to businesses operating in essential retail and necessity-based industries, including grocery stores, pharmacies, discount retail, automotive repair, and health care.

The REIT's current acquisition pipeline includes \$2.8+ billion of high-quality net-leased assets diversified over 607 properties and 18 additional tenants, the majority of which continue to benefit from long-term fixed rate financing that is fixed significantly below current market rates. This fully identified portfolio enables the REIT to maintain

best-in-industry distributions and dividend coverage ratios on behalf of investors as it continues to execute its aggregation strategy.

KPMG is completing its independent valuation of the Essential Income Strategy's currently owned properties as of December 31, 2022. Our Trustee anticipates the NAV per share as of December 31, 2022 to be in the range of \$28.40–\$28.60 per share based on the midpoint of the range of values in KPMG's valuation of the currently owned properties combined with the Trust's cash reserves, other assets, and liabilities. The updated NAV will be formally declared near the end of February 2023 once the Essential Income Strategy's financial statement audit is completed.

We remain on track to submit our Form 10 for public reporting with the Securities and Exchange Commission ("SEC") later this quarter. We anticipate this process could take several months before it becomes effective. Although an effective Form 10 filing will register our common shares with the SEC and make us subject to SEC reporting requirements, we are not applying to list our shares on any securities exchange at the time of the Form 10 filing. The effectiveness of the Form 10 filing will not make our shares freely tradable or create a public market for our shares at this time. We anticipate that the Form 10 filing will provide the most cost-effective way to build a public reporting track record and will allow the REIT to be better positioned to execute its aggregation and liquidity strategy.

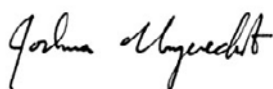
Dividend Reinvestment Program Coming

We will soon provide the ability for investors to reinvest dividends through a dividend reinvestment plan, commonly known as a "DRIP." Investors will be given the option to reinvest their monthly dividends into new shares, providing an efficient way to grow their equity positions and their future potential income. Each investor will need to consult their Registered Representative or Advisor to assess their investment goals and determine the suitability of the DRIP program to their needs after their review of offering materials. We intend to provide more details by the second quarter.

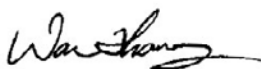
Thank you for the opportunity to successfully manage and steward your capital. Should you have any questions, please contact our Investor Relations department at (626) 696-2918 or investors@exchangeright.com.

Best regards,

ExchangeRight Real Estate, LLC



Joshua Ungerecht
Managing Partner



Warren Thomas
Managing Partner



David Fisher
Managing Partner