

EXCHANGE RIGHT

NET LEASED PORTFOLIO 17 DST



Pictures representative of similar corporate-backed stores and are not the actual locations included in the portfolio.



This material must be accompanied or preceded by a private placement memorandum, which is the controlling disclosure document for the Offering and is intended to more fully disclose the potential benefits and risks of the Offering. This material is not a recommendation or solicitation to buy any security, as all such offers can be made only by the private placement memorandum. All potential investors in the Offering must read the private placement memorandum, and no person may invest in the Offering without first acknowledging receipt and review of the private placement memorandum in its entirety.

DIVERSIFIED LONG-TERM, NET-LEASED PORTFOLIO WITH A 6.84% INITIAL CASH FLOW PROJECTION TO INVESTORS

HIGHLIGHTS

ExchangeRight Net Leased Portfolio 17 DST is a portfolio of 16 single-tenant, long-term net-leased retail assets that are 100% occupied and operated by Advance Auto Parts, Dollar General, Goodwill, NAPA Auto Parts, Pick 'n Save (Kroger guarantee), Tractor Supply, Verizon Wireless, and Walgreens.

The portfolio is composed of high-quality tenants with strong credit and provides the investor with access to a diversified portfolio. First-year net operating income is diversified as follows:

- › 30% grocery (Pick 'n Save/Kroger guarantee)
- › 19% pharmaceutical (Walgreens)
- › 17% discount necessity retail (Dollar General, Goodwill)
- › 9% communications (Verizon Wireless)
- › 25% discount auto and misc. retail (Advance Auto Parts, NAPA, and Tractor Supply)

The Sponsor of the Offering is retaining at least a 1% ownership interest in the portfolio and is offering up to 99% of the beneficial interests in the DST to accredited investors. The total offering amount is \$68,400,000, of which \$31,540,000 is equity and \$36,860,000 is long-term fixed-rate financing. The trust closed on the portfolio of properties on August 10, 2017, with 10-year interest-only non-recourse financing with a stated annual rate of 3.993% and a weighted-average lease term of 12.6 years.

This Offering is designed for investors seeking to participate in a 1031 tax-deferred exchange as well as investors seeking a diversified net-leased real estate investment on a cash basis.

ANNUAL INCOME FORECAST

The Offering's projected cash flow as a percentage of equity for each year throughout the hold period is as follows: 6.84%, 6.84%, 6.84%, 6.96%, 7.10%, 7.26%, 7.27%, 7.27%, 7.27%, 7.37%.

1031 EXIT STRATEGY

At ExchangeRight, our offerings are not overly dependent on any one property, location, tenant, lease, industry, debt term, or sale period for their cash flow and value. In preparation for the next recession, we designed our strategy with significant diversification and scale, which enables us to:

- › bridge—and pay stable cash flow through—economic cycles, real estate market cycles, debt maturities, and lease rollovers
- › provide downside protection by diversifying across properties, tenants, and industries that are less dependent on economic growth to perform well when inevitable risks assail the markets
- › maintain significant flexibility and control to maximize investor returns
- › safeguard investors from being forced to sell before the time is right
- › preserve investors' ability to complete a 1031 exchange upon exit

In addition to the 1031 exchange, our exit strategy is also designed to provide investors with multiple options to meet their individual tax and financial planning needs at the time of sale.



EXCHANGERIGHT

CONSISTENTLY DELIVERING DIVERSIFIED PORTFOLIOS OF
LONG-TERM, NET-LEASED ASSETS BACKED BY INVESTMENT
GRADE CORPORATIONS IN THE NECESSITY RETAIL SPACE

PROJECTION OF INCOME & CASH FLOW

YEARS	1	2	3	4	5	6	7	8	9	10
Net Rental Income	\$3,801,916	\$3,801,916	\$3,801,916	\$3,839,805	\$3,887,373	\$3,939,332	\$3,942,816	\$3,942,816	\$3,942,816	\$3,975,315
Debt Service	\$1,492,262	\$1,492,262	\$1,496,350	\$1,492,262	\$1,492,262	\$1,492,262	\$1,496,350	\$1,492,262	\$1,492,262	\$1,492,262
DSCR	2.55	2.55	2.54	2.57	2.61	2.64	2.63	2.64	2.64	2.66
Property Management	\$95,048	\$95,048	\$95,048	\$95,995	\$97,184	\$98,483	\$98,570	\$98,570	\$98,570	\$99,383
Ongoing Reserves*	\$11,768	\$11,768	\$11,768	\$11,768	\$11,768	\$11,768	\$11,768	\$11,768	\$11,768	\$11,768
Annual Ins., Tax, Bank Fees, and Filing Costs	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Asset Management	\$15,208	\$15,208	\$11,119	\$15,359	\$15,549	\$15,757	\$11,683	\$15,771	\$15,771	\$15,901
Investor Cash Flow	\$2,157,630	\$2,157,630	\$2,157,630	\$2,194,421	\$2,240,609	\$2,291,061	\$2,294,445	\$2,294,445	\$2,294,445	\$2,326,001
% of Equity	6.84%	6.84%	6.84%	6.96%	7.10%	7.26%	7.27%	7.27%	7.27%	7.37%

* \$795,000 of initial tax and insurance prepaids and reserves, and reserves for operations and repairs have been funded at the time of the loan closing. In addition, \$500,000 has been initially funded in a rollover reserve with lender for future tenant improvement and leasing commissions, bringing total prepaids and reserves to \$1,295,000 at closing. The DST is additionally reserving \$11,768 per year to provide additional operational reserves for the benefit of the trust, which is reflected in the ongoing reserve figures presented above.

The following leases were entered into directly with the tenants' parent entities or are directly guaranteed by the tenants' parent entities which have an investment-grade rating with Standard & Poor's or Moody's: Advance Auto Parts, Dollar General, Kroger, and Walgreens.

The Loan Agreement requires a Qualified Transfer of the loan by the end of year seven of the loan term or a cash flow sweep will commence. As the Trust's objective is to maximize value to Owners through a portfolio aggregation and sale, transfer, or merger prior to year seven to facilitate a tax-deferred exchange pursuant to Section 1031 of the Code, or exchange roll-up transaction pursuant to Section 721 of the Code, this provision is not expected to have an impact on the Trust as it is expected to meet the Qualified Transfer requirements (refer to the "Exit Strategy" in Exhibit I of the Memorandum). As a result, ten years of cash flows are being presented to show the expected cash flows of the Properties to the Trust including following a Qualified Transfer prior to the end of year seven.

Investing in this offering involves risk. Please review the Private Placement Memorandum in its entirety, including especially the section that outlines the risks of his offering, before making any investment decision.



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▶ EQUITY OFFERING AMOUNT	\$31,540,000
▶ NON-RECOURSE DEBT	\$36,860,000
▶ TOTAL OFFERING PRICE	\$68,400,000

▶ OFFERING LOAN TO VALUE (LTV)	53.89%
▶ MINIMUM PURCHASE.....	\$100,000
▶ YEAR I INVESTOR CASH FLOW	6.84%



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TENANT	GUARANTOR CREDIT RATING	LOCATION	SQUARE FEET	EST. VEHICLES PER DAY	ANNUAL RENT	LEASE EXPIRATION
Advance Auto Parts	Investment Grade BBB-	Travelers Rest, SC	6,891	17,667	\$78,540	12/31/26
Dollar General	Investment Grade BBB, A-2 (Short-Term)	Belleville, IL	9,126	11,000	\$85,584	10/31/30
Dollar General	Investment Grade BBB, A-2 (Short-Term)	Walker, LA	12,526	15,596	\$125,926	6/30/28
Dollar General	Investment Grade BBB, A-2 (Short-Term)	Aiken, SC	9,136	9,619	\$78,216	3/31/31
Dollar General	Investment Grade BBB, A-2 (Short-Term)	Zanesville, OH	9,289	11,591	\$91,488	3/31/31
Dollar General	Investment Grade BBB, A-2 (Short-Term)	Norton, OH	9,327	5,844	\$92,850	4/30/29
Dollar General	Investment Grade BBB, A-2 (Short-Term)	Denham Springs, LA	9,187	6,407	\$91,059	6/30/32
Dollar General	Investment Grade BBB, A-2 (Short-Term)	Columbia, SC	9,153	12,985	\$85,691	6/30/28
Goodwill	No publicly-rated debt	Grafton, WI	22,000	10,100	\$212,930	8/31/27
Pick 'n Save (Kroger Guarantee)	Investment Grade BBB (Long-Term) A-2 (Short-Term)	West Bend, WI	63,133	16,682	\$1,136,677	12/31/30
NAPA Auto Parts	Moody's Real Time Risk Score: 1 [lowest risk]	Sun Prairie, WI	5,342	11,500	\$48,000	8/9/37
Tractor Supply	No long-term debt	Conway, SC	24,738	8,000	\$315,996	5/31/32
Tractor Supply	No long-term debt	Staunton, VA	22,676	18,000	\$326,508	5/31/32
Verizon Wireless	Cellco Partnership is the guarantor and has a net worth in excess of \$78.9B and no publicly-rated debt	Columbia, SC	6,254	20,400	\$324,450	1/31/27
Walgreens	Investment Grade BBB (Long-Term), A-2 (Short-Term)	Waukesha, WI	15,615	17,395	\$400,000	12/31/28
Walgreens	Investment Grade BBB (Long-Term), A-2 (Short-Term)	Blacklick, OH	14,489	39,780	\$308,000	8/31/28



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*Verizon Wireless' Parent S&P Rating: BBB+ (Long-Term), A-2 (Short-Term)
 Verizon Wireless' Parent Moody's Rating: Baa1 (Long-Term), P-2 (Short-Term)
 Cellco Partnership is the guarantor and has a net worth in excess of \$78.9B.
 It has no publicly-rated debt and is a wholly-owned subsidiary of Verizon.*

Verizon Communications Inc., through its subsidiaries, provides communications, information, and entertainment products and services to consumers, businesses, and governmental agencies worldwide. Its Wireless segment offers wireless voice and data services; Internet access on various smart and basic phones, notebook computers, and tablets; and multimedia access, business-focused, location-based, global data, home phone handsets, and high-speed Internet services, as well as network access and value added services to support wireless connections for the Internet of Things (IoT). This segment also provides IoT services that support devices used in fleet management and telematics, energy, agricultural technology, and smart community markets; and wireless devices, such as smartphones and basic phones, tablets, and other Internet access devices. As of December 31, 2016, it had 114.2 million retail connections. Verizon Communications Inc. was founded in 1983 and is headquartered in New York City, New York.

CURRENT ANNUAL REVENUE: \$125.98 BILLION
 CURRENT GROSS PROFIT: \$74.56 BILLION
 CURRENT ANNUAL NET INCOME: \$13.13 BILLION
 CURRENT ASSETS: \$26.40 BILLION



2012 2013 2014 2015 2016
 NYSE: VZ - 5-Year Stock Performance [Source: bloomberg.com]



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*S&P Rated: Investment Grade BBB (Long-Term)
 A-2 (Short-Term)*

Walgreens (NASDAQ: WBA) is the largest drug retailer in America. Walgreens employs approximately 248,000 people and operates 8,678 stores throughout the 50 states; Washington DC; Puerto Rico; and Guam. Walgreens' products include over-the-counter medicine and consumer products, pharmacy services, and photo services. Walgreens has expanded through a series of strategic acquisitions. In March 2011, Walgreens acquired Drugstore.com and Beauty.com. Two years later, Beauty.com was named by Internet Retailer Magazine in its Top 100 online retail sites list. In July 2012, Walgreens paid \$6.7 billion for a 45% stake in Alliance Boots and acquired a drug store chain that included USA Drug, Super D Drug, May's Drug, Med-X, and Drug Warehouse. In 2014 Walgreens purchased the remaining 55% stake in Switzerland-based Alliance Boots that it did not already own. A new holding company was created that now trades as WBA in lieu of the previous WAG ticker. Walgreens also maintains a commercial book of pharmacy business through multiyear agreements with Express Scripts, Caremark, and other commercial payers. Walgreens was included in Fortune's World's Most Admired Companies list for the 20th consecutive year and was ranked 37th overall in revenue on the Fortune 500 list of largest U.S.-based companies.

CURRENT ANNUAL REVENUE: \$117.35 BILLION
 CURRENT GROSS PROFIT: \$29.87 BILLION
 CURRENT ANNUAL NET INCOME: \$4.17 BILLION
 2016 FISCAL YEAR REVENUE GROWTH: 13.44%



2012 2013 2014 2015 2016
 NYSE: WBA - 5-Year Stock Performance [Source: bloomberg.com]

Pick 'n Save

Pick 'n Save was founded in 1975 in Milwaukee, Wisconsin and is now the premier supermarket chain in Wisconsin with over 100 stores serving customers. Pick 'n Save is focused on giving back to their community and have supported them with nearly \$4 million in funds and food since 2003. Featuring competitive employee benefits and a strong commitment to promote from within, Pick 'n Save employs approximately 10,000 employees. In 2015, Pick 'n Save became a wholly owned subsidiary of Kroger (NYSE: KR).

CURRENT ANNUAL REVENUE (KR): \$115.34 BILLION
CURRENT GROSS PROFIT (KR): \$25.84 BILLION

S&P Rated (KR): Investment Grade BBB (Long-Term)
A-2 (KR) (Short-Term)



2012 2013 2014 2015 2016

NYSE(KR): KR-5-Year Stock Performance [Source: bloomberg.com]

CURRENT ANNUAL NET INCOME (KR): \$1.98 BILLION
2016 FISCAL YEAR REVENUE GROWTH (KR): 5.01%



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Advance Auto Parts (NYSE: AAP) is an aftermarket retailer of automotive parts and supplies and a provider of auto maintenance services. It operates nearly 4,000 stores and employs about 55,000 "Team Members." Increases in new vehicle sales allow Advance Auto to demonstrate its key strategies: superior availability and service leadership. It continues to increase its delivery speed, reliability, and supply chain, and it is opening new stores in underserved markets.

CURRENT ANNUAL REVENUE: \$9.74 BILLION
CURRENT GROSS PROFIT: \$4.42 BILLION

S&P Rated: Investment Grade BBB-



2012 2013 2014 2015 2016

NYSE: AAP - 5-Year Stock Performance [Source: bloomberg.com]

CURRENT ANNUAL NET INCOME: \$473.40 MILLION
2015 FISCAL YEAR REVENUE GROWTH: 0.52%



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NAPA (The National Automotive Parts Association) is an American-based voluntary trade association that distributes and sells over 400,000 products to auto and industrial sectors. NAPA's sole member and majority owner is Genuine Parts Company (NYSE: GPC). Its infrastructure and commitment to quality produce higher revenues, a stronger operating margin, and a more-credit-positive debt-to-EBITDA ratio than found in the rest of the industry.

CURRENT ANNUAL REVENUE: \$15.34 BILLION
CURRENT GROSS PROFIT: \$4.60 BILLION

Moody's 2014 Real-Time Risk Score (GPC): 1 [lowest risk]



2012 2013 2014 2015 2016

NYSE: GPC - 5-Year Stock Performance [Source: bloomberg.com]

CURRENT ANNUAL NET INCOME: \$687.24 MILLION
2016 FISCAL YEAR REVENUE GROWTH: 0.39%



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DOLLAR GENERAL®

S&P Rated: Investment Grade BBB
A-2 (Short-Term)

Dollar General (NYSE: DG) is one of the nation's largest small-box discount retailers. Dollar General has over 121,000 employees operating over 13,300 locations in 43 states. It strives to make shopping for everyday needs simpler and hassle-free by offering a carefully selected assortment of the most popular brands at low everyday prices in small, convenient locations. Dollar General Corporation was founded in 1939 and is based in Goodlettsville, Tennessee.



2012 2013 2014 2015 2016
NYSE: DG - 5-Year Stock Performance [Source: bloomberg.com]

CURRENT ANNUAL REVENUE: \$20.37 BILLION
CURRENT GROSS PROFIT: \$6.31 BILLION

CURRENT ANNUAL NET INCOME: \$1.67 BILLION
2016 FISCAL YEAR REVENUE GROWTH: 7.72%

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Goodwill®

No Publicly-Rated Debt

While it's most well known for its more than 3,000 thrift stores, Goodwill Industries focuses on providing rehabilitation, job training, placement, and employment services for people with disabilities and others. Goodwill is one of the world's largest providers of such services, as well as one of the largest employers in the world of the physically, mentally, and emotionally disabled. Support for its programs is generated primarily from the sale of donated goods.



NUMBER OF STORES NATIONWIDE: 3,000+
FORBES LIST OF LARGEST U.S. CHARITIES: 7TH

TOTAL RETAIL SALES: \$3.9 BILLION
TOTAL REVENUE: \$5.4 BILLION

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TSC TRACTOR SUPPLY CO®

No Publicly-Rated Debt

Tractor Supply Co. (NASDAQ: TSCO) is a leading chain of retail stores that each carry products related to home improvement, agriculture, truck maintenance, livestock, equine care, and household pet care. It employs over 17,000 individuals and operates over 1,200 stores across 47 states. Stores are strategically located in towns outlying major metropolitan areas and in rural communities. It was listed by Forbes among the 100 fastest growing businesses.



2012 2013 2014 2015 2016
NASDAQ: TSCO - 5-Yr Stock Performance [Source: bloomberg.com]

CURRENT ANNUAL REVENUE: \$6.78 BILLION
CURRENT GROSS PROFIT: \$2.33 BILLION

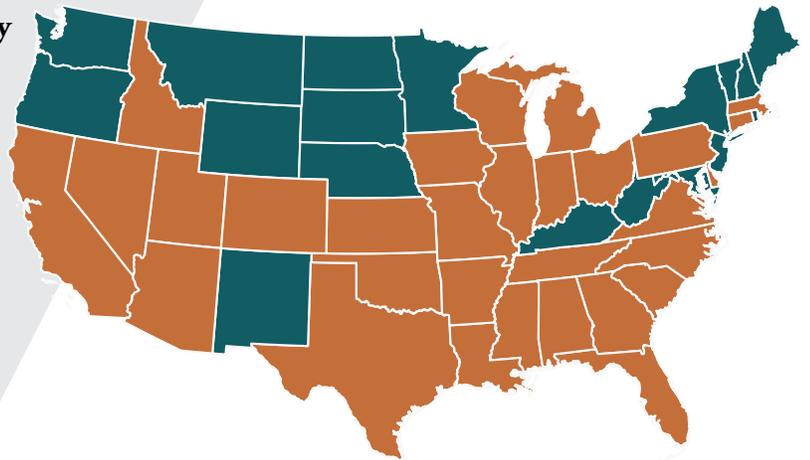
CURRENT ANNUAL NET INCOME: \$437.12 MILLION
2016 FISCAL YEAR REVENUE GROWTH: 8.88%

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EXCHANGE RIGHT

- › **\$900+ Million of assets under management**
- › **9.4+ Million square feet under management**
- › **Focus on investment-grade, necessity-based retail and Class B/B+ value-added multifamily**
- › **265 single-tenant retail and healthcare properties and 52 apartment communities consisting of 6,500 units**
- › **Diversified across 28 states**
- › **All offerings meeting or exceeding projections**

■ States with ER and affiliates' AUM or under contract for future portfolio inventory.



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