

EXCHANGE RIGHT

NET LEASED PORTFOLIO 23 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 6.30% INITIAL CASH FLOW PROJECTION TO INVESTORS

HIGHLIGHTS

ExchangeRight Net Leased Portfolio 23 DST is a portfolio of 23 single-tenant, long-term net-leased retail assets that are 100% occupied and operated by Advance Auto Parts, Auto Zone, Dollar General, Family Dollar, GIANT Food, Tractor Supply, 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:

- › **38.5%** Pharmaceutical (Walgreens)
- › **21.3%** Grocery (GIANT Food)
- › **19.7%** Discount Necessity Retail (Dollar General, Family Dollar)
- › **11.4%** Discount Auto (Advance Auto, Auto Zone)
- › **9.1%** Agriculture (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 \$94,235,200, of which \$42,800,000 is equity and \$51,435,200 is long-term fixed-rate financing. The trust closed on the portfolio on August 28, 2018, with 10-year interest-only non-recourse financing with a stated annual rate of 4.42% and a weighted-average lease term of 11.7 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: 6.30%, 6.30%, 6.30%, 6.34%, 6.36%, 6.37%, 6.39%, 6.39%, 6.40%, 6.45%.

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:

- › 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

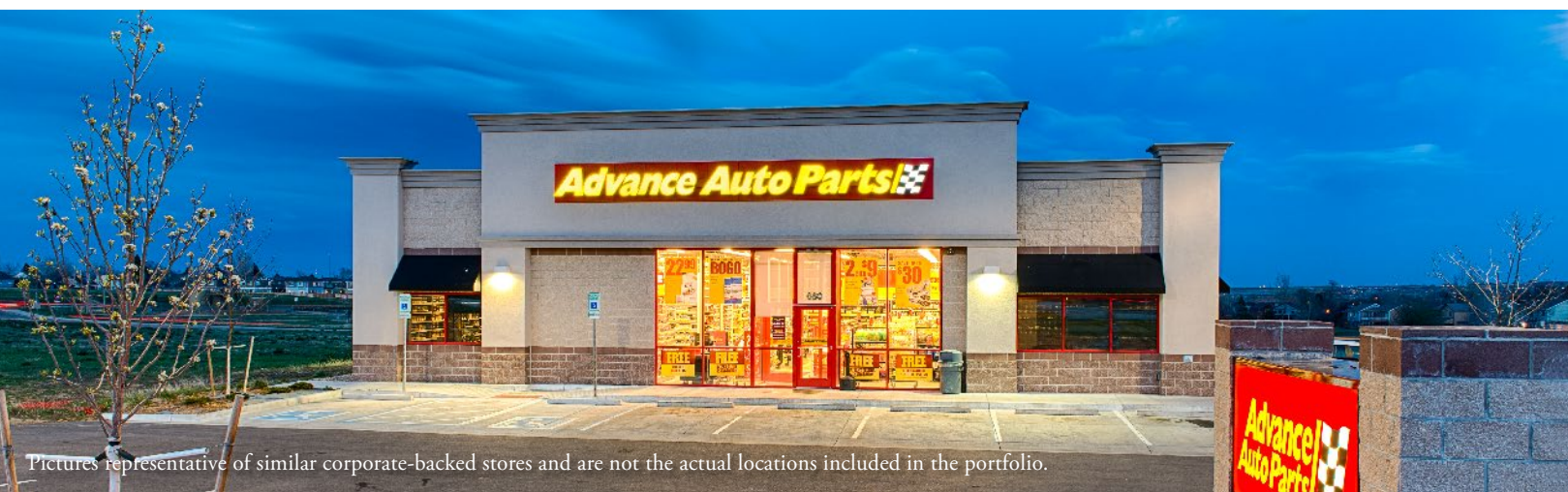
YEARS	1	2	3	4	5	6	7	8	9	10
Net Operating Income	\$5,209,125	\$5,211,188	\$5,211,188	\$5,227,060	\$5,234,996	\$5,246,746	\$5,246,746	\$5,246,746	\$5,251,273	\$5,272,947
Debt Service	\$2,305,011	\$2,311,326	\$2,305,011	\$2,305,011	\$2,305,011	\$2,311,326	\$2,305,011	\$2,305,011	\$2,305,011	\$2,311,326
DSCR	2.26	2.25	2.26	2.27	2.27	2.27	2.28	2.28	2.28	2.28
Property Management	\$130,228	\$130,280	\$130,280	\$130,676	\$130,875	\$131,169	\$131,169	\$131,169	\$131,282	\$131,824
Ongoing Reserves*	\$26,529	\$26,529	\$26,529	\$26,529	\$26,529	\$26,529	\$26,529	\$26,529	\$26,529	\$26,529
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	\$20,837	\$16,532	\$20,845	\$20,908	\$20,940	\$20,987	\$20,987	\$20,987	\$21,005	\$13,182
Net Investor Cash Flow	\$2,696,520	\$2,696,520	\$2,698,523	\$2,713,935	\$2,721,641	\$2,726,735	\$2,733,050	\$2,733,050	\$2,737,445	\$2,760,086
Net Cash Flow % of Equity	6.30%	6.30%	6.30%	6.34%	6.36%	6.37%	6.39%	6.39%	6.40%	6.45%

* \$1,110,000 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 \$1,610,000 at closing. The DST is additionally reserving \$26,529 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, AutoZone, Dollar General, Family Dollar, GIANT Food Store, 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.

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	\$42,800,000
▶ NON-RECOURSE DEBT	\$51,435,200
▶ TOTAL OFFERING PRICE	\$94,235,200

▶ OFFERING LOAN TO VALUE (LTV)	54.58%
▶ MINIMUM PURCHASE.....	\$100,000
▶ YEAR I INVESTOR CASH FLOW	6.30%



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TENANT	CREDIT RATING	LOCATION	SQUARE FEET	VEHICLE COUNT	CURRENT NOI	LEASE EXPIRATION
Advance Auto Parts	Investment Grade BBB-	Jackson, MI	6,779	6,665	\$137,620	12/31/26
Advance Auto Parts	Investment Grade BBB-	Pasco, WA	6,874	2,973	\$131,520	11/30/32
AutoZone	Investment Grade BBB	Kentwood, MI	15,420	34,104	\$202,688	9/30/28
AutoZone	Investment Grade BBB	Leland, NC	6,782	8,800	\$122,100	7/31/28
Dollar General	Investment Grade BBB (Long-Term), A-2 (Short-Term)	Belton, MO	9,229	9,560	\$88,969	11/30/32
Dollar General	Investment Grade BBB (Long-Term), A-2 (Short-Term)	Bristol, TN	9,198	9,000	\$107,596	11/30/28
Dollar General	Investment Grade BBB (Long-Term), A-2 (Short-Term)	Chattanooga, TN	9,100	23,400	\$107,602	9/30/28
Dollar General	Investment Grade BBB (Long-Term), A-2 (Short-Term)	Cleveland, OH	7,598	6,942	\$103,668	5/31/33
Dollar General	Investment Grade BBB (Long-Term), A-2 (Short-Term)	Grandview, MO	7,642	4,866	\$89,041	12/31/33
Dollar General	Investment Grade BBB (Long-Term), A-2 (Short-Term)	Johnson City, TN	9,261	14,560	\$104,499	9/30/28
Dollar General	Investment Grade BBB (Long-Term), A-2 (Short-Term)	Lima, OH	9,207	11,770	\$111,984	9/30/31
Dollar General	Investment Grade BBB (Long-Term), A-2 (Short-Term)	Middletown, OH	9,187	9,026	\$96,392	6/30/32
Family Dollar	Investment Grade BBB-	Laredo, TX	8,436	18,800	\$104,960	7/31/33
Family Dollar	Investment Grade BBB-	San Angelo, TX	8,335	19,300	\$109,900	3/31/29
GIANT Food	Investment Grade Baa1 (Long-Term) P-2 (Short-Term)	Mechanicsburg, PA	51,394	16,422	\$1,110,855	8/31/30
Tractor Supply	No Publicly-Rated Debt	Lewiston, ME	16,272	12,390	\$237,996	12/31/32
Tractor Supply	No Publicly-Rated Debt	North Versailles, PA	18,814	18,226	\$235,000	8/31/33
Walgreens	Investment Grade BBB (Long-Term) A-2 (Short-Term)	Bradenton, FL	15,924	19,000	\$382,200	8/31/28
Walgreens	Investment Grade BBB (Long-Term) A-2 (Short-Term)	Clinton Township, MI	13,800	39,184	\$270,000	2/28/30
Walgreens	Investment Grade BBB (Long-Term) A-2 (Short-Term)	Dunedin, FL	15,046	42,500	\$393,660	10/31/28
Walgreens	Investment Grade BBB (Long-Term) A-2 (Short-Term)	Naples, FL	15,962	48,500	\$350,350	10/31/29
Walgreens	Investment Grade BBB (Long-Term) A-2 (Short-Term)	Oldsmar, FL	15,083	36,500	\$219,240	10/31/28
Walgreens	Investment Grade BBB (Long-Term) A-2 (Short-Term)	Temple Terrace, FL	15,017	35,000	\$391,286	6/30/29



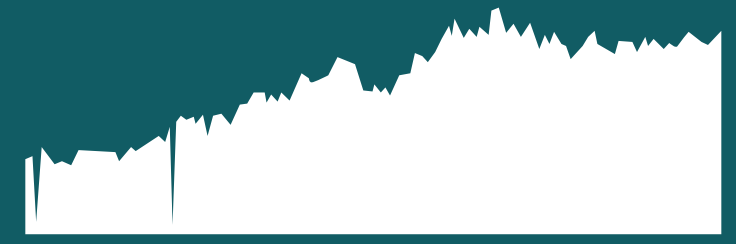
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S&P Rated: Investment Grade BBB (Long-Term)
A-2 (Short-Term)

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: \$118.21 BILLION
CURRENT GROSS PROFIT: \$29.16 BILLION
CURRENT ANNUAL NET INCOME: \$4.08 BILLION
2017 FISCAL YEAR REVENUE GROWTH: 0.74%



2013 2014 2015 2016 2017
NYSE: WBA - 5-Year Stock Performance [Source: bloomberg.com]



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Moody's Rated: Investment Grade Baa1 (Long-Term)
P-2 (Short-Term)

GIANT Grocery is owned by Koninklijke Ahold Delhaize N.V. which operates retail food stores primarily in the United States and Europe. The company's store formats include supermarkets, superstores, online grocery shopping, convenience stores, drugstores, wine and liquor stores, online shopping for general merchandise, and compact hyper and supermarkets. Their U.S. brands operate a variety of store formats offering thousands of food and non-food items. Many of the local stores have on-site pharmacies, delicatessens and gasoline stations. Their U.S. brands include Food Lion, Giant Food (of Landover), Giant Martin's (of Carlisle), Hannaford, and Stop & Shop, including the country's leading online grocer, Peapod. In the U.S. alone, they have over 204,000 employees and 2,100 stores and distribution centers across 23 states.

CURRENT ANNUAL REVENUE: \$49.70 BILLION
CURRENT GROSS PROFIT: \$13.38 BILLION
CURRENT ANNUAL NET INCOME: \$830 MILLION
2017 FISCAL YEAR REVENUE GROWTH: 30.1%



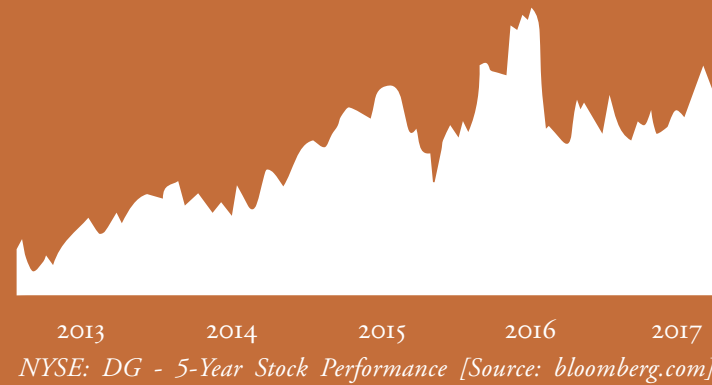
2013 2014 2015 2016 2017
OTC: ADRNY - 5-Year Stock Performance [Source: bloomberg.com]

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. 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. The company offers consumable products, including paper and cleaning products, packaged foods, perishables, health and beauty products, pet supplies, kitchen products, apparel, accessories, tobacco products and many other types of items. Dollar General Corporation was founded in 1939 and is based in Goodlettsville, Tennessee. As of February 2, 2018, Dollar General Corporation operated 14,534 stores in 44 states. The company was formerly known as J.L. Turner & Son, Inc. and changed its name to Dollar General Corporation in 1968.

CURRENT ANNUAL REVENUE: \$21.98 BILLION
CURRENT GROSS PROFIT: \$6.78 BILLION
CURRENT ANNUAL NET INCOME: \$1.25 BILLION
2017 FISCAL YEAR REVENUE GROWTH: 7.94%



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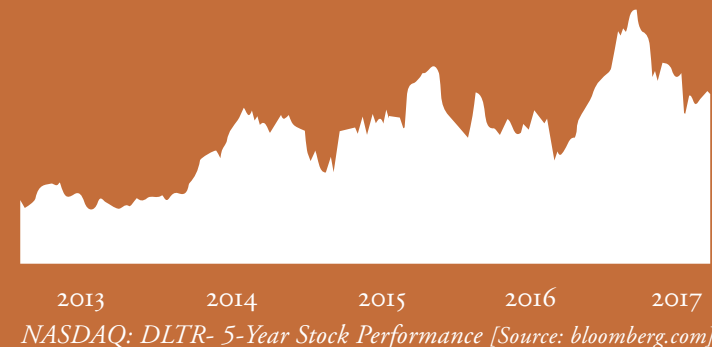
FAMILY DOLLAR

my family, my family dollar.

S&P Rated: Investment Grade BBB-

Family Dollar Stores, Inc. is the nation's second-largest small-box discount retailer. Family Dollar has over 50,000 employees operating a chain of over 7,900 stores across 45 states primarily serving low- to middle-income consumers in the United States. Due to the past several years of economic downturn, Family Dollar has enjoyed rapid growth as an increasing percentage of the nation's population has turned to discount retailers to save money on everyday necessities. Family Dollar has revealed plans to open between 20-30 stores every month for the next several years to keep up with the growing demand. As low- and middle-income families have been looking to neighborhood discount retailers for more of their shopping needs, Family Dollar has been in a process of revamping its locations to devote approximately 25% of its floor space to groceries in order to provide a smaller and more-convenient one-stop shopping experience in what has turned out to be a successful campaign to win market share from larger retailers and grocers. In 2015 Family Dollar became a wholly owned subsidiary of Dollar Tree.

CURRENT ANNUAL REVENUE: \$22.25 BILLION
CURRENT GROSS PROFIT: \$8.37 BILLION
CURRENT ANNUAL NET INCOME: \$1.71 BILLION
2017 FISCAL YEAR REVENUE GROWTH: 7.37%



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S&P Rated: Investment Grade BBB

AutoZone, Inc. (NYSE: AZO) is the second-largest retailer of aftermarket automotive parts and accessories in the United States, behind Advance Auto Parts. AutoZone is a Fortune 500 company, and its stock is an S&P 500 Component. The company was founded in 1979 and has over 5,000 retail outlets throughout America, Puerto Rico, Mexico, and Brazil.

CURRENT ANNUAL REVENUE: \$10.89 BILLION
CURRENT GROSS PROFIT: \$5.7 BILLION



2013 2014 2015 2016 2017
NYSE: AZO - 5-Year Stock Performance [Source: bloomberg.com]

CURRENT ANNUAL NET INCOME: \$1.28 BILLION
2017 FISCAL YEAR REVENUE GROWTH: 2.38%



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Service is our best part.

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: \$9.37 BILLION
CURRENT GROSS PROFIT: \$4.09 BILLION

S&P Rated: Investment Grade BBB-



2013 2014 2015 2016 2017
NYSE: AAP - 5-Year Stock Performance [Source: bloomberg.com]

CURRENT ANNUAL NET INCOME: \$475.51 MILLION
2017 FISCAL YEAR NET INCOME GROWTH WAS 3.8% ABOVE 2016 NOI



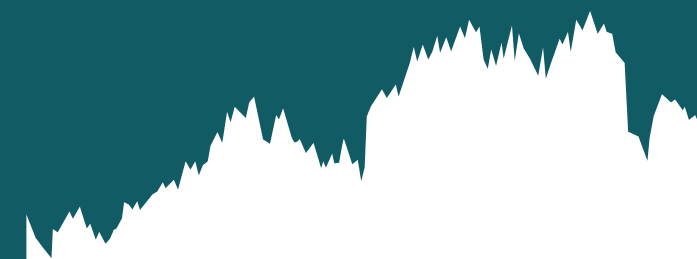
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No Publicly-Rated Debt

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.

CURRENT ANNUAL REVENUE: \$7.26 BILLION
CURRENT GROSS PROFIT: \$2.49 BILLION



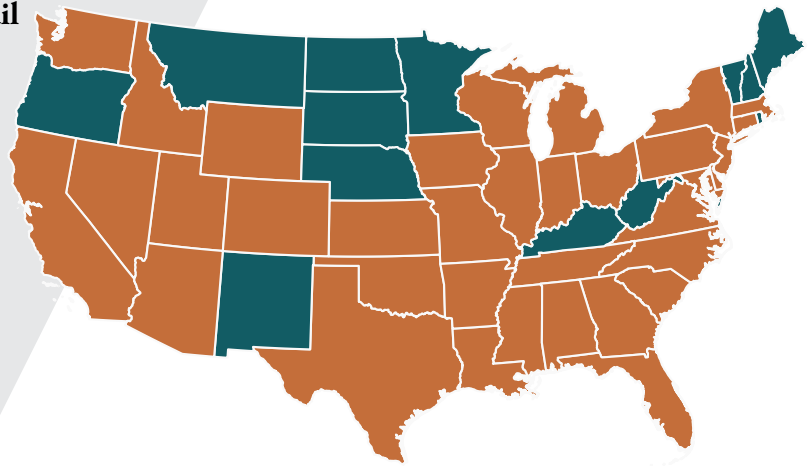
2013 2014 2015 2016 2017
NASDAQ: TSCO - 5-Yr Stock Performance [Source: bloomberg.com]

CURRENT ANNUAL NET INCOME: \$422.12 MILLION
2017 FISCAL YEAR REVENUE GROWTH: 7.03%

EXCHANGE RIGHT

- › **\$1.5+ Billion of assets under management**
- › **12+ Million square feet under management**
- › **Focus on investment-grade, necessity-based retail and Class B/B+ value-added multifamily**
- › **Invested across 460+ properties**
- › **Diversified across 33 states**
- › **All offerings meeting or exceeding investor cash flow distribution projections**

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



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WWW.EXCHANGERIGHT.COM

1055 E. COLORADO BLVD., STE. 310, PASADENA, CA 91106

PHONE: (855) 31-RIGHT (855) 317-4448 | FAX: (877) 711-4047 | INFO@EXCHANGERIGHT.COM