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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

**Fundrise Real Estate Interval Fund, LLC**

(Exact name of registrant as specified in its charter)

Investment Company Act File Number: 811-23448

**11 Dupont Circle NW, 9<sup>th</sup> Floor**  
**Washington, D.C. 20036**  
(Address of Principal Executive Offices)

**(202) 584-0550**  
(Registrant's Area Code and telephone number)

**Michelle A. Mirabal**  
**Rise Companies Corp.**  
**11 Dupont Circle NW, 9<sup>th</sup> Floor**  
**Washington, D.C. 20036**  
(Name and Address of Agent for Service)

*Copies to:*  
**Paul J. Delligatti, Esq.**  
**Goodwin Procter LLP**  
**1900 N Street, NW**  
**Washington, D.C. 20036**

**Date of fiscal year end: December 31**

**Date of reporting period: January 1, 2022 through December 31, 2022**

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**Item 1. Reports to Stockholders**

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**Fundrise Real Estate Interval Fund, LLC**

**Annual Report**

**for the Year Ended**

**December 31, 2022**

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Management Discussion of Fund Performance

Dear Fellow Shareholders,

We are pleased to present the annual report of the Fundrise Real Estate Interval Fund, LLC (the “Fund”). Despite the public markets having delivered one of their worst performing years in the past several decades, the strength of the underlying portfolio of the Fund led to a stronger relative performance compared to the broader market in 2022. The Fundrise Real Estate Interval Fund returned -1.96% in 2022, its second year of operations. During the same period the S&P 500® Total Return Index, a bellwether for the overall U.S. stock market, returned -18.11%, the Bloomberg U.S. Aggregate Bond Index, a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market returned -13.01%, and publicly listed REITs (as measured by the NAREIT All US REITs index) returned -25.10%.

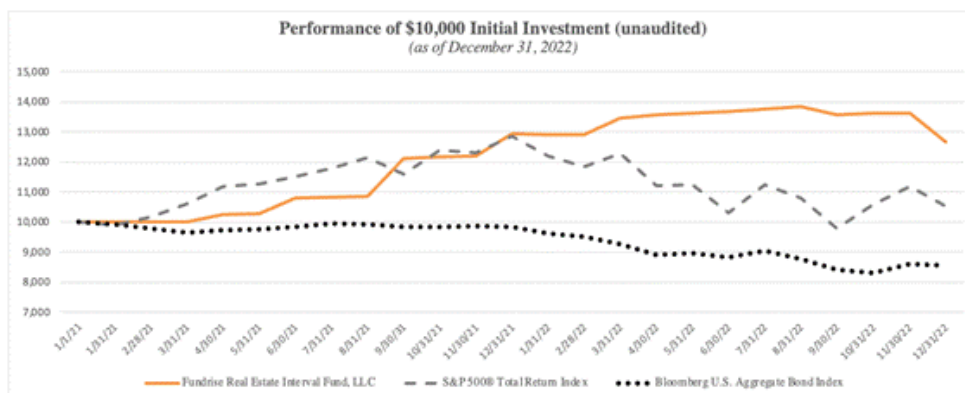
Within real estate, performance has diverged significantly between sectors, and we are encouraged by our focus on residential and industrial assets where we anticipate continued demand growth. Multifamily and single family rent continued to grow in 2022, although not as high as the historic levels seen in 2021. Per Yardi Matrix’s November 2022 report, Multi-Family asking rents were up 7% year-over-year while Single Family rents were up 5.9% year-over-year. The Green Street Commercial Property Price Index®, which represents a measure of pricing for a broad spectrum of institutional quality properties, declined 13% in 2022. This was primarily due to sharply higher borrowing costs which caused values to fall even with healthy rent growth. These higher borrowing costs have driven valuation decreases in both residential and industrial real estate in 2022.

As we predicted at the end of 2021, 2022 saw sustained high levels of inflation. To combat this record high inflation, the Federal Reserve conducted its fastest ever period of interest rate hikes, raising the benchmark Fed Funds rate from 0 – 0.25% in January 2022, up to 4.5 – 4.75% today, with all signs indicating that they will reach 4.75 – 5% by March of this year. As expected, this plan to methodically slow down the economy and withdraw liquidity from the market through the use of monetary policy has also led to a sharp decline in asset values across nearly all sectors. While no asset is immune, hard assets, such as real estate, tend to perform well in inflationary environments.

**Fund Composition and Performance**

Industry Composition (as of 12/31/22)	% of Total Investments
Single Family Residential	57.7%
Multi-Family Residential	23.8%
Industrial	8.6%
Other	9.9%
<b>Total Investments</b>	<b>100.0%</b>

See below for the Fund’s performance during the year ended December 31, 2022, along with the broad-based securities market benchmark indices as well as the total return for the same period.



Average Annual Total Returns	1 Year	Since Inception*
Fundrise Real Estate Interval Fund, LLC	-1.96%	13.69%
S&P 500® Total Return Index	-18.11%	5.30%
Bloomberg U.S. Aggregate Bond Index	-13.01%	-7.28%

\*Fundrise Real Estate Interval Fund, LLC commenced operations on January 1, 2021.

The S&P 500 Total Return Index is an unmanaged market capitalization-weighted index which is comprised of 500 of the largest U.S. domiciled companies and includes the reinvestment of all dividends. Investors cannot invest directly in an index or benchmark.

The Bloomberg U.S. Aggregate Bond Index is an unmanaged index which represents the U.S. investment-grade fixed-rate bond market (including government and corporate securities, mortgage pass-through securities and asset-backed securities). Investors cannot invest directly in an index or benchmark.

The performance data quoted is historical. Past performance is no guarantee of future results. The performance table and graph do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. The investment return and principal value of an investment will fluctuate. An investor's shares, when repurchased, may be worth more or less than the original cost. Total returns are calculated using closing Net Asset Value as of December 31, 2022 and are calculated assuming reinvestment of all dividends and distributions.

The Fund's distribution policy is to declare and make distributions on a quarterly basis, or more or less frequently as determined by the Board, in arrears. A portion of the distribution may include a return of capital. Shareholders should not assume that the source of a distribution from the Fund is net profit. Although return of capital distributions are not currently taxable, such distributions will have the effect of lowering a shareholder's tax basis in the shares which will result in a higher tax liability when the shares are repurchased, even if they have not increased in value, or, in fact, have lost value. Distributions are not guaranteed.

The Fund's most recent annualized distribution rate as of December 31, 2022, was 0.81% <sup>(1)</sup>. All distributions made during the year ended December 31, 2022 were deemed to be a return of capital.

<sup>(1)</sup> Distribution rate is based on an annualization of the distributions per share for the 31 days of December 2022.

We seek to identify and invest behind large macroeconomic trends precisely because we believe those trends are likely to drive outsized growth, which in turn can deliver better than average performance. (Of course, we remind investors that such success is never guaranteed, and all investments carry risk which could lead to loss.)

More granularly, the primary contributors to 2022 performance were:

- **Interest rate hikes** conducted by the Federal Reserve to combat record high inflation
- **Continued rent increases** caused by a post pandemic spike in demand combined with ongoing limitations on the supply of housing
- **Sunbelt growth** whereby the existing dynamics of strong population and job growth were amplified by the pandemic-driven migration of both people and companies to the region
- **Increasing institutional demand** for well-located, cash-flowing residential and industrial real estate assets

Looking ahead, we expect the next several months to be challenging for the broader economy, with most economic conditions getting worse before they get better, and markets potentially seeing another significant leg downward. Individuals, businesses, and investors alike will need to survive what is likely to be a temporary and somewhat defined period where asset values are broadly depressed and borrowing costs are significantly higher (at least when compared to recent history). That being said, we are starting to become more optimistic and believe that we are nearing the bottom of the market cycle, with the next 12+ months presenting perhaps the most compelling investment opportunities that we've seen. Specifically, we believe that:

**Inflation is on the decline and opportunity favors the prepared**

While 2022 saw record high inflation, we expect to see inflation continue to decline in 2023 though we anticipate both inflation and interest rates will remain elevated through the first six months. The Federal Reserve conducted its fastest ever period of interest rate hikes to combat this inflation in 2022 and we expect them to slowly begin to bring the rates down in 2023. Given the current state of the economy, individuals, businesses, and investors alike will need to survive what is likely to be a temporary and somewhat defined period where asset values are broadly depressed and borrowing costs are significantly higher (at least when compared to recent history). While these dynamics can be challenging, it also means that (at least temporarily) new opportunities will emerge as otherwise attractive assets with deep intrinsic value and strong growth potential essentially go on sale, and while cautious, we feel extremely well positioned to capitalize on this dynamic.

**The Sunbelt will continue to outperform**

Similar to 2022, we expect the Sunbelt region to remain resilient and generate positive income growth. We continue to see large population growth in these regions. The numbers here tell a clear story: from July 2021 to July 2022 four states — Florida, Texas, North Carolina, and Georgia — grew by a total of more than 1 million people, while the net population growth across the entire United States was only 1.25 million.

In summary, we are thrilled to see the Fund outperform indices over the past year. It is a testament to both the hard work of the team at Fundrise as well as the value of identifying the right macro trends. However, as usual, we also want to manage expectations. It would be a mistake to celebrate this performance without acknowledging that it represents years of groundwork and the extensive experience of the Fundrise team.

Onward,



Benjamin Miller  
Chief Executive Officer  
Fundrise Advisors, LLC

Fundrise Real Estate Interval Fund, LLC

Schedule of Investments

(Amounts in thousands)

Par/Shares	Description	Value as of December 31, 2022
<b>Real Estate Co-Investment Joint Ventures – 89.4%</b>		
<b>Single Family Residential – 56.9%</b>		
N/A (5)	Fundrise SFR JV 1, LLC (1)(2)(3)(4) (Cost - \$698,607)	\$ 721,830
N/A (5)	Fundrise SFR Dev JV 1, LLC (1)(2)(3)(4) (Cost - \$28,162)	28,411
	<b>Total Single Family Residential (Cost - \$726,769)</b>	<b>\$ 750,241</b>
<b>Multi-Family Residential – 23.9%</b>		
N/A (5)	Fundrise MF JV 1, LLC (1)(2)(3)(4) (Cost - \$245,257)	\$ 297,497
N/A (5)	Fundrise MF JV 2, LLC (1)(2)(3)(4) (Cost - \$15,716)	17,773
	<b>Total Multi-Family Residential (Cost - \$260,973)</b>	<b>\$ 315,270</b>
<b>Industrial – 8.6%</b>		
N/A (5)	Fundrise Industrial JV 1, LLC (1)(2)(3)(4) (Cost - \$4,144)	\$ 4,444
N/A (5)	Fundrise Industrial JV 2, LLC (1)(2)(3)(4) (Cost - \$105,243)	109,325
	<b>Total Industrial (Cost - \$109,387)</b>	<b>\$ 113,769</b>
	<b>Total Real Estate Co-Investment Joint Ventures (Cost - \$1,097,129)</b>	<b>\$ 1,179,280</b>
<b>Residential Mortgage-Backed Securities – 0.9%</b>		
<b>Non-U.S. Government Agency Issues</b>		
\$ 14,067	Bridge 2022-SFR1 Trust (E1 Class), 6.30%, 11/17/25 (6) (Cost - \$12,475)	\$ 12,562
	<b>Total Residential Mortgage-Backed Securities (Cost - \$12,475)</b>	<b>\$ 12,562</b>
<b>Short-Term Investment – 9.9%</b>		
130,238	Allspring Government Money Market Fund (Select Class), 4.18% (7) (Cost - \$130,238)	\$ 130,238
	<b>Total Short-Term Investment (Cost - \$130,238)</b>	<b>\$ 130,238</b>
	<b>Total Investments – 100.2%</b> (Cost - \$1,239,842)	<b>\$ 1,322,080</b>
	<b>Other assets in excess of liabilities – (0.2)%</b>	<b>\$ (2,891)</b>
	<b>Total Net Assets – 100.0%</b>	<b>\$ 1,319,189</b>

- (1) Represents an investment in an affiliate.
- (2) Represents investments classified as Level 3 within the three-tier fair value hierarchy. See the accompanying notes to the financial statements for an explanation of this hierarchy, as well as a list of significant unobservable inputs used in the valuation of these instruments.
- (3) Represents a non-income producing investment.
- (4) Restricted security. The aggregate value of restricted securities at December 31, 2022 is approximately \$1,179,280,000 and represents 89.4% of net assets. See [Note 2](#), *Summary of Significant Accounting Policies - Fair Value Measurement* for additional information, including the initial acquisition date.
- (5) The Fund owns LLC membership interests, see [Note 2](#), *Summary of Significant Accounting Policies - Fair Value Measurement* for detailed ownership information.
- (6) Security is exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold to qualified institutional buyers in transactions exempt from registration.
- (7) Rate disclosed is representative of the Fund's seven-day effective yield as of December 31, 2022.

See accompanying notes to the financial statements.



**Fundrise Real Estate Interval Fund, LLC**

**Statement of Assets and Liabilities**

(Amounts in thousands, except share and per share data)

	<b>As of December 31, 2022</b>
<b>Assets</b>	
Investments in affiliated entities, at fair value (cost \$1,097,129)	\$ 1,179,280
Investments in unaffiliated entities, at fair value (cost \$142,713)	142,800
Cash and cash equivalents	3,352
Other assets	1,541
Distribution receivable from investments in affiliated entities	1,024
Interest and dividend receivable from investments in unaffiliated entities	489
<b>Total Assets</b>	<b>\$ 1,328,486</b>
<b>Liabilities</b>	
Settling subscriptions	\$ 4,371
Distributions payable	3,014
Accrued management fees	1,010
Accounts payable and accrued expenses	877
Redemptions payable	25
<b>Total Liabilities</b>	<b>\$ 9,297</b>
<b>Total Net Assets</b>	<b>\$ 1,319,189</b>
<b>Components of Net Assets:</b>	
Paid in capital	\$ 1,256,541
Distributable earnings	62,648
<b>Total Net Assets</b>	<b>\$ 1,319,189</b>
<b>Net Asset Value:</b>	
Net assets	\$ 1,319,189
Common shares outstanding as of December 31, 2022; unlimited shares authorized	106,287,742
<b>Net Asset Value Per Share</b>	<b>\$ 12.41</b>

See accompanying notes to the financial statements.

Fundrise Real Estate Interval Fund, LLC

Statement of Operations

(Amounts in thousands)

	For the Year Ended December 31, 2022	
<b>Investment Income</b>		
Dividend income from investments in unaffiliated entities	\$	1,332
Interest income from investments in unaffiliated entities		125
<b>Total Investment Income</b>	<b>\$</b>	<b>1,457</b>
<b>Expenses</b>		
Management fees	\$	9,776
Legal fees		840
Custody fees		590
Bank fees		573
Audit and tax fees		389
Miscellaneous expenses		294
Insurance fees		281
Directors' fees		151
Transfer agent fees		125
Financial printing fees		17
<b>Total Expenses</b>	<b>\$</b>	<b>13,036</b>
<b>Net Investment Income (Loss)</b>	<b>\$</b>	<b>(11,579)</b>
<b>Net Realized and Unrealized Gain (Loss) on Investments</b>		
Net realized gain (loss) on investments in affiliated entities	\$	-
Net realized gain (loss) on investments in unaffiliated entities		(3,035)
Net change in unrealized appreciation/depreciation on investments in affiliated entities		(32,977)
Net change in unrealized appreciation/depreciation on investments in unaffiliated entities		(2,673)
<b>Total Net Realized and Unrealized Gain (Loss) on Investments</b>	<b>\$</b>	<b>(38,685)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>\$</b>	<b>(50,264)</b>

See accompanying notes to the financial statements.

Fundrise Real Estate Interval Fund, LLC

Statements of Changes in Net Assets

(Amounts in thousands)

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
<b>Operations:</b>		
Net investment income (loss)	\$ (11,579)	\$ (5,897)
Net realized gain (loss) on investments	(3,035)	-
Net change in unrealized appreciation/depreciation on investments	(35,650)	117,888
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>\$ (50,264)</b>	<b>\$ 111,991</b>
<b>Distributions to Shareholders:</b>		
From distributable earnings	\$ -	\$ -
From return of capital	(12,885)	(4,800)
<b>Net (Decrease) in Net Assets from Distributions</b>	<b>\$ (12,885)</b>	<b>\$ (4,800)</b>
<b>Capital Share Transactions:</b>		
Proceeds from sale of shares	\$ 724,275	\$ 630,529
Distributions reinvested	5,560	805
Repurchases of shares	(72,437)	(13,690)
<b>Net Increase in Net Assets from Capital Share Transactions</b>	<b>\$ 657,398</b>	<b>\$ 617,644</b>
<b>Net Assets:</b>		
<b>Beginning of Period</b>	<b>\$ 724,940</b>	<b>\$ 105</b>
<b>End of Period</b>	<b>\$ 1,319,189</b>	<b>\$ 724,940</b>

See accompanying notes to the financial statements.

Fundrise Real Estate Interval Fund, LLC

Statement of Cash Flows

(Amounts in thousands)

	<b>For the Year Ended December 31, 2022</b>
<b>Operating Activities:</b>	
Net Increase (Decrease) in Net Assets Resulting from Operations	\$ (50,264)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:	
Investments in affiliated entities	(733,980)
Investments in short-term investments	(130,238)
Investments in common stock	(15,006)
Investments in residential mortgage-backed securities	(12,426)
Accretion of discounts	(49)
Return of capital distributions from investments in affiliated entities	162,333
Net change in unrealized appreciation/depreciation on investments in affiliated entities	32,977
Net change in unrealized appreciation/depreciation on investments in unaffiliated entities	2,673
Net realized loss on investments in common stocks	3,035
Proceeds from sale of investments in common stocks	42,970
Changes in assets and liabilities:	
Net (increase) decrease in distribution receivable from investments in affiliated entities	685
Net (increase) decrease in interest and dividend receivable from investments in unaffiliated entities	(414)
Net (increase) decrease in other assets	(1,021)
Net increase (decrease) in accrued management fees	545
Net increase (decrease) in accounts payable and accrued expenses	517
Net increase (decrease) in redemptions payable	22
Net increase (decrease) in settling subscriptions	(2,702)
<i>Net cash provided by (used in) operating activities</i>	<u>(700,343)</u>
<b>Financing Activities:</b>	
Proceeds from issuance of common shares	724,275
Cash paid for shares repurchased	(72,437)
Distributions paid	(7,238)
<i>Net cash provided by (used in) financing activities</i>	<u>644,600</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b><u>(55,743)</u></b>
Cash and cash equivalents, beginning of period	59,095
Cash and cash equivalents, end of period	<u>\$ 3,352</u>
<b>Supplemental Disclosure of Non-Cash Activity:</b>	
Distributions reinvested	\$ 5,560

See accompanying notes to the financial statements.

Fundrise Real Estate Interval Fund, LLC

Financial Highlights

Per share operating performance for a share outstanding throughout the period (1)	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$ 12.81</b>	<b>\$ 10.00</b>
<b>Income from Investment Operations</b>		
Net investment income (loss)	\$ (0.13)	\$ (0.22)
Net realized and unrealized gain (loss) on investments	(0.12)	3.21
<b>Total Income (Loss) from Investment Operations</b>	<b>\$ (0.25)</b>	<b>\$ 2.99</b>
<b>Distributions to Common Shareholders</b>		
Net investment income	\$ -	\$ -
Return of capital	(0.15)	(0.18)
<b>Total Distributions to Common Shareholders</b>	<b>\$ (0.15)</b>	<b>\$ (0.18)</b>
<b>Net Asset Value, End of Period</b>	<b>\$ 12.41</b>	<b>\$ 12.81</b>
<b>Total Investment Return Based on Net Asset Value (2)(5)</b>	<b>(1.96)%</b>	<b>29.35%</b>
<b>Ratios and Supplemental Data</b>		
Net assets, end of period (thousands)	\$ 1,319,189	\$ 724,940
Ratio of total expenses to average net assets (3)	1.13%	1.67%
Ratio of net expenses to average net assets (3)	1.13%	1.98% <sup>4</sup>
Ratio of net investment income (loss) to average net assets (3)	(1.01)%	(1.95)% <sup>4</sup>
Portfolio turnover rate	4.10%	0.00%

(1) Based on average shares outstanding.

(2) Total investment return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in the period indicated and assumes that dividends are reinvested in accordance with the Fund's dividend reinvestment policy. Returns shown do not reflect the deduction of taxes that a Shareholder would pay on Fund distributions or the repurchase of Fund shares.

(3) Expenses do not include operating expenses of the underlying Real Estate Co-Investment Joint Ventures and registered investment companies.

(4) The ratio is net of a waiver of 0.99%, which is deemed to be voluntary as the total expense ratio did not exceed the expense cap for the year ended December 31, 2021 and is inclusive of fee recoupment and expense reimbursement of 1.30%.

(5) Total investment returns for the year ended December 31, 2021 would have been lower had certain expenses not been waived or borne by the Adviser during the period. There were no expenses waived for the year ended December 31, 2022. The Expense Limitation Agreement remained in effect until May 1, 2022. See [Note 6](#), *Investment Manager Fees and Other Related Party Transactions* for further information.

See accompanying notes to the financial statements.

**Fundrise Real Estate Interval Fund, LLC**

**Notes to Financial Statements**

**For the Year Ended December 31, 2022**

**1. Formation and Organization**

Fundrise Real Estate Interval Fund, LLC (the “Fund” or the “Registrant”) is a Delaware limited liability company and has elected to be taxed as a real estate investment trust (a “REIT”) for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), commencing with its taxable year ending December 31, 2021, and intends to continue to operate as such. The Fund is organized as a continuously offered, non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), that operates as an interval fund. The Fund’s registration statement was declared effective on December 18, 2020. The Fund commenced investment operations on January 1, 2021.

The Fund’s investment objective is to seek to generate current income while secondarily seeking long-term capital appreciation with low to moderate volatility and low correlation to the broader markets. Generally, the Fund’s investment strategy is to invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in a diversified portfolio of private real estate and publicly traded real estate-related investments.

The investment adviser to the Fund is Fundrise Advisors, LLC (the “Adviser”), an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended. The Adviser is a wholly-owned subsidiary of Rise Companies Corp. (“Rise Companies” or the “Sponsor”), the Fund’s sponsor. Subject to the supervision of the Board of Directors of the Fund (the “Board”), the Adviser is responsible for directing the management of the Fund’s business and affairs, managing the Fund’s day-to-day affairs, and implementing the Fund’s investment strategy.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying financial statements of the Fund are prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). The Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, Financial Services – Investment Companies (“ASC 946”). The Fund maintains its financial records in U.S. dollars and follows the accrual basis of accounting.

The estimates and assumptions underlying these financial statements are based on information available as of December 31, 2022, including judgments about the financial market and economic conditions which may change over time.

As a result of the ongoing global COVID-19 outbreak, economic uncertainties persist that could have an adverse impact on economic and market conditions. The global impact of the pandemic has been rapidly evolving and presents material uncertainty and risk with respect to the Fund’s performance and financial results.

***Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### ***Cash and Cash Equivalents***

Cash and cash equivalents may consist of demand deposits and highly liquid investments with original maturities of three months or less. The Fund may invest its cash in an institutional money market fund, valued at the net asset value (“NAV”) as of the close of each business day. The Fund’s uninvested cash is maintained with a high credit quality financial institution. To date, the Fund has not experienced any losses with respect to cash and cash equivalents.

### ***Valuation Oversight***

In connection with SEC Rule 2a-5, effective September 2022, the Board has approved the Adviser as the Fund’s Valuation Designee (“Valuation Designee”), to provide administration and oversight of the Fund’s valuation policies and procedures. The Fund values its investments in accordance with such procedures. Generally, portfolio securities and other assets for which market quotations are readily available are valued at market value, which is ordinarily determined on the basis of official closing prices or the last reported sales prices. If market quotations are not readily available or are deemed unreliable, the Fund will use the fair value of the securities or other assets as determined by the Adviser in good faith, taking into consideration all available information and other factors that the Adviser deems pertinent, in each case subject to the overall supervision and responsibility of the Board.

In calculating the Fund’s net asset value, the Adviser, subject to the oversight of the Board, uses various valuation methodologies. To the extent practicable, the Adviser generally endeavors to maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the most observable inputs are to be used when available. The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors. When valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment, and may involve alternative methods to obtain fair values where market prices or market-based valuations are not readily available. As a result, the Adviser may exercise a higher degree of judgment in determining fair value for certain securities or other assets.

### ***Fair Value Measurement***

The following is a summary of certain methods generally used currently to value investments of the Fund under the Fund’s valuation procedures:

The Fund applies FASB ASC Topic 820, Fair Value Measurement, as amended, which establishes a framework for measuring fair value in accordance with U.S. GAAP and required disclosures of fair value measurement. U.S. GAAP defines the fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

The Fund determines the fair value of certain investments in accordance with the fair value hierarchy that requires an entity to maximize the use of observable inputs. The fair value hierarchy includes the following three levels based on the objectivity of the inputs, which were used for categorizing the assets or liabilities for which fair value is being measured and reported:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs).

Level 3 – Valuation generated from model-based techniques that use inputs that are significant and unobservable in the market. These unobservable assumptions reflect estimates of inputs that market participants would use in pricing the asset or liability. Valuation techniques may include use of discounted cash flow methodologies or similar techniques, which incorporate management’s own estimates of assumptions that market participants would use in pricing the instrument or other valuation assumptions that require significant management judgment or estimation.

Investments in registered investment companies, including money market funds, are valued at the NAV as of the close of each business day. To the extent these securities are actively traded, they are categorized in Level 1 of the fair value hierarchy.

Fixed income securities may be valued by an outside pricing service overseen by the Valuation Designee. The pricing service may employ a pricing model that takes into account, among other things, bids, yield spreads and/or other market data and specific security characteristics. In the event prices or quotations are not readily available or that the application of these valuation methods results in a price for an investment that is deemed to be not representative of the fair value of such investment, fair value will be determined in good faith by the Valuation Designee, in accordance with the valuation policy and procedures approved by the Board. To the extent these securities are actively traded, they are categorized in Level 2 of the fair value hierarchy.

Common stock securities are valued as of the close of the regular session of trading on the New York Stock Exchange (“NYSE”) (currently 4:00 p.m., Eastern Time or at the time as of which the NYSE establishes official closing prices). Common stock securities traded on stock exchanges are valued at the last reported sale price, official close price, or last bid price if no sales are reported. To the extent these securities are actively traded, they are categorized in Level 1 of the fair value hierarchy.

Real Estate Co-Investment Joint Ventures are stated at fair value. See [Note 7, Investments](#) for further information regarding the Real Estate Co-Investment Joint Ventures. The Fund’s ownership interests are valued based on the fair value of the underlying real estate, any related mortgage loans payable, and any other assets and liabilities of the joint venture. The fair values of real estate investments are generally determined by considering the income, cost, and sales comparison approaches of estimating property value. The income approach may use the discounted cash-flow method or the direct capitalization method. The discounted cash-flow method estimates an income stream for a property (typically 10 years) and discounts this income plus a reversion (presumed sale) into a present value at a risk adjusted rate. The direct capitalization method converts a single year’s estimated stabilized net operating income into a value indication by applying a market-based capitalization rate. Discount rates, market-based capitalization rates, and growth assumptions utilized in the income approach are derived from market transactions as well as other financial and industry data. The cost approach estimates the replacement cost of the building less physical depreciation plus the land value. The sales comparison approach compares recent transactions to the appraised property. Adjustments are made for dissimilarities that typically provide a range of value. The discount rate and the exit capitalization rate are significant inputs to these valuations. These rates are based on the location, type, and nature of each property, as well as current and anticipated market conditions. The fair values of mortgage and senior notes payable are generally determined by discounting the difference between the contractual interest rates and estimated market interest rates considering changes in credit spreads, as applicable. The significant unobservable inputs used in the fair value measurement of the Fund’s mortgage notes payable are the selection of prevailing market interest rates for similar notes and the loan to value ratios. The significant unobservable inputs used in the fair value measurement of the Fund’s senior notes payable are the selection of certain prevailing market interest rates for similar notes.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund’s investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

The following is a summary of the inputs used as of December 31, 2022, in valuing the Fund’s investments carried at fair value (*amounts in thousands*):

Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Real Estate Co-Investment Joint Ventures	\$ —	\$ —	\$ 1,179,280	\$ 1,179,280
Residential Mortgage-Backed Securities	—	12,562	—	12,562
Short-Term Investment	130,238	—	—	130,238
<b>Total Investments</b>	<b>\$ 130,238</b>	<b>\$ 12,562</b>	<b>\$ 1,179,280</b>	<b>\$ 1,322,080</b>



The following is a summary of quantitative information about the significant unobservable inputs of the Fund's Level 3 investments as of December 31, 2022 (*amounts in thousands*). The weighted average range of unobservable inputs is based on the fair value of investments. Various valuation techniques were used in the valuation of certain investments and weighted based on the level of significance. The tables are not intended to be all-inclusive but instead capture the significant unobservable inputs relevant to the Fund's determination of fair value.

Investment	Fair Value	Valuation Technique	Unobservable Input <sup>(1)</sup>	Range (Weighted Average)	Impact to Valuation from an Increase in input <sup>(2)</sup>
Real Estate Co-Investment Joint Ventures	\$ 549,546	Income Approach, Discounted Cash-Flow Method	Discount Rate	6.4% - 11.7% (6.7%)	Decrease
	569,953	Income Approach, Direct Capitalization Method	Capitalization Rate	3.6% - 5.5% (4.7%)	Decrease
	59,781	Recent Transaction	Transaction Price	N/A	Increase
<b>Total Real Estate Co-Investment Joint Ventures</b>	<b>\$ 1,179,280</b>				

- (1) Represents the significant unobservable inputs used to fair value the financial instruments of the joint ventures. The fair value of such financial instruments is the largest component of the valuation of such entity as a whole.
- (2) Represents the expected directional change in the fair value of the Level 3 investments that would result from an increase in the corresponding input. A decrease to the unobservable input would have the opposite effect. Significant changes in these inputs could result in significantly higher or lower fair value measurements.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value (*amounts in thousands*):

	Real Estate Co-Investment Joint Ventures
<b>Balance as of January 1, 2022</b>	<b>\$ 640,610</b>
Purchases	733,980
Accrued discounts (premiums)	—
Realized gain (loss)	—
Net change in unrealized appreciation/depreciation	(32,977)
Return of capital distributions	(162,333)
Sales	—
Transfers into Level 3	—
Transfers out of Level 3	—
<b>Balance as of December 31, 2022</b>	<b>\$ 1,179,280</b>
Net change in unrealized appreciation/depreciation for the period ended December 31, 2022, related to Level 3 investments held at December 31, 2022	\$ (32,977)

As of December 31, 2022, the investments in affiliates consist of co-investments in joint ventures in exchange for membership interests. As of December 31, 2022, the Fund owns 90% of the membership interests in each of Fundrise SFR JV 1, LLC, Fundrise MF JV 1, LLC, Fundrise MF JV 2, LLC, and Fundrise Industrial JV 2, LLC, 60% of the membership interests in Fundrise SFR Dev JV 1, LLC, and 20% of the membership interests in Fundrise Industrial JV 1, LLC. The affiliated investment securities have not been registered under the Securities Act of 1933, as amended, and thus are subject to restrictions on resale. During the year ended December 31, 2022, investments in affiliates were as follows (*amounts in thousands*):

Affiliate	Acquisition Date <sup>(1)</sup>	Balance as of December 31, 2021	Purchases at cost	Proceeds from sales	Net realized gain (loss) and capital gain distributions	Dividend income	Return of capital distribution	Change in unrealized appreciation/depreciation	Balance as of December 31, 2022
Fundrise SFR JV 1, LLC	01/25/2021	\$ 279,310	\$ 519,300	\$ —	\$ —	\$ —	\$ (44,824)	\$ (31,956)	\$ 721,830
Fundrise MF JV 1, LLC	03/05/2021	254,192	155,340	—	—	—	(105,723)	(6,312)	297,497
Fundrise Industrial JV 2, LLC	09/29/2021	70,450	44,100	—	—	—	(9,012)	3,787	109,325
Fundrise SFR Dev JV 1, LLC	04/02/2021	16,654	11,640	—	—	—	—	117	28,411
Fundrise MF JV 2, LLC	08/09/2021	12,431	3,600	—	—	—	—	1,742	17,773
Fundrise Industrial JV 1, LLC	06/04/2021	7,573	—	—	—	—	(2,774)	(355)	4,444
<b>Total</b>	<b>N/A</b>	<b>\$ 640,610</b>	<b>\$ 733,980</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (162,333)</b>	<b>\$ (32,977)</b>	<b>\$ 1,179,280</b>

(1) Represents initial acquisition date as membership interests were purchased at various dates through the current period. Ownership percentages disclosed above remained constant during the reporting period.

#### **Restricted Securities**

The Fund may purchase securities for which there is a limited trading market or which are subject to restrictions on resale to the public. Restricted securities and securities for which there is a limited trading market may be significantly more difficult to value due to the unavailability of reliable market quotations for such securities, and investment in such securities may have an adverse impact on NAV. The Fund may purchase Rule 144A securities for which there may be a secondary market of qualified institutional buyers as contemplated by Rule 144A under the Securities Act. Rule 144A provides an exemption from the registration requirements of the Securities Act for the resale of certain restricted securities to qualified institutional buyers. Restricted securities held at December 31, 2022 are identified within the Schedule of Investments.

#### **Organizational and Offering Costs**

Organizational costs may include, among other things, the cost of organizing as a Delaware limited liability company, the cost of certain legal services and other fees pertaining to the Fund's organization. These costs are expensed as incurred by the Fund.

Offering costs may include, among other things, legal, printing and other expenses pertaining to offering the Fund's Shares. Ongoing offering costs will be expensed as incurred.

### ***Income Taxes***

The Fund has elected to be taxed as a REIT under the Code, commencing with the taxable year ending December 31, 2021, and intends to continue to operate as such. To qualify as a REIT, the Fund must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of the Fund's annual REIT taxable income to the shareholders of the Fund ("Shareholders") (which is computed without regard to the dividends paid deduction or net capital gain and which does not necessarily equal net investment income as calculated in accordance with U.S. GAAP). As a REIT, the Fund generally will not be subject to U.S. federal income tax to the extent it distributes qualifying dividends to its Shareholders. Even if the Fund qualifies for taxation as a REIT, it may be subject to certain state and local taxes on its income and property, and federal income and excise taxes on its undistributed income. The tax period for the taxable year ending December 31, 2022 and all tax periods following remain open to examination by the major taxing authorities in all jurisdictions where we are subject to taxation. For the open tax periods, the Fund has no uncertain tax positions that would require recognition in the financial statements.

Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed to not meet the more-likely-than-not threshold. For the year ended December 31, 2022, the Fund did not incur any income tax, interest, or penalties.

### ***Issuance of Shares***

The Fund offers its Shares on a continuous basis through the Fundrise Platform, an investment platform available both online at [www.fundrise.com](http://www.fundrise.com) and through various mobile applications owned and operated by the Sponsor. The price a Shareholder pays for Shares is based on the Fund's NAV. The NAV of the Fund's Shares is calculated daily on each day that the New York Stock Exchange is open for business as of the close of the regular trading session on the NYSE, usually 4:00 p.m., Eastern Standard Time. Cash received for investor subscriptions is recorded as Settling Subscriptions in the Statement of Assets and Liabilities until settlement occurs and Shares are issued.

### ***Distributions To Shareholders***

The Fund has made, and intends to continue to make, distributions necessary to qualify for taxation as a REIT. The Fund expects that it will declare daily distributions to Shareholders of record as of close of business on each day, paid on a quarterly basis, or more or less frequently as determined by the Board, in arrears. The Board may authorize distributions in Shares or in excess of those required for the Fund to maintain REIT tax status depending on the Fund's financial condition and such other factors as the Board may deem relevant. The distribution rate may be modified by the Board from time to time. The Board reserves the right to change or suspend the distribution policy from time to time. Distributions to shareholders of the Fund are recorded on the ex-dividend date.

### ***Dividend Reinvestment***

The Fund will operate under a dividend reinvestment policy administered by the Adviser. Pursuant to the policy, a Shareholder's income dividends, capital gains or other distributions, net of any applicable U.S. withholding tax, can be reinvested in the Shares of the Fund, provided that, if a Shareholder participates in an investment plan offered by the Adviser, such distributions will be reinvested in accordance with such investment plan. Unless a Shareholder elects to "opt in" to the Fund's dividend reinvestment policy, any dividends and other distributions paid to the Shareholder by the Fund will not be reinvested in additional Shares of the Fund under the policy. When the Fund declares a distribution payable in cash, the Shareholders enrolled in the dividend reinvestment plan will receive an equivalent amount in Shares from the Fund either newly issued or repurchased from Shareholders by the Fund or according to their investment plan, if applicable. The number of Shares to be received when distributions are reinvested will be determined by dividing the amount of the distribution (or the percentage of the distribution allocable to the Fund under the terms of the investment plan, if applicable) by the Fund's NAV per Share next computed after the distribution is paid.

Shareholders who do not participate in the Fund's dividend reinvestment policy will receive all dividends in cash.

### ***Investment Income and Securities Transactions***

Securities transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses on sales of investments are calculated using the identified cost basis. Dividend income and distributions are reported on the ex-dividend date, and interest income is recorded on an accrual basis. Amortization of premiums and accretion of discounts on fixed income securities is calculated using the effective interest method, or straight-line method when appropriate, over the holding period of the investment and are included in interest income. Distributions received from investments generally are comprised of ordinary income and return of capital. The Fund estimates the allocation of distributions between investment income and return of capital based on historical information or regulatory filings. These estimates may subsequently be revised based on actual allocations received from investments after their tax reporting periods are concluded, as the actual character of these distributions is not known until after the reporting period of the Fund.

### **3. Concentration of Risk**

Investing in the Fund involves risks, including, but not limited to, those set forth below. The risks described below are not, and are not intended to be, a complete enumeration or explanation of the risks involved in an investment in the Fund. For a more complete discussion of the risks of investing in the Fund, see the section entitled “Principal Risks” in the Fund’s Prospectus and Statement of Additional Information filed on April 29, 2022, and the Fund’s other filings with the SEC.

*Non-Listed Closed-End Interval Fund; Liquidity Risk.* The Fund is a non-diversified, closed-end management investment company operating as an “interval fund” and designed primarily for long-term investors. Closed-end funds differ from open-end management investment companies (commonly known as mutual funds) because investors in a closed-end fund do not have the right to redeem their shares on a daily basis. Unlike many closed-end funds, which typically list their shares on a securities exchange, the Fund does not currently intend to list the Shares for trading on any securities exchange, and the Fund does not expect any secondary market to develop for the Shares in the foreseeable future. Therefore, an investment in the Fund, unlike an investment in a typical closed-end fund, is not a liquid investment. The Fund is not intended to be a typical traded investment. Shareholders are also subject to transfer restrictions and there is no guarantee that they will be able to sell their Shares. If a secondary market were to develop for the Shares in the future, and a Shareholder is able to sell his or her Shares, the Shareholder will likely receive less than the purchase price and the then-current NAV per Share.

Although the Fund, as a fundamental policy, will make quarterly offers to repurchase at least 5% and up to 25% of its outstanding Shares at NAV, the number of Shares tendered in connection with a repurchase offer may exceed the number of Shares the Fund has offered to repurchase, in which case not all of a Shareholder’s Shares tendered in that offer will be repurchased. In connection with any given repurchase offer, it is likely that the Fund may offer to repurchase only the minimum amount of 5% of its outstanding Shares. Hence, a Shareholder may not be able to sell their Shares when or in the amount that they desire.

*Non-Diversification Risk.* As a “non-diversified” fund, the Fund may invest more than 5% of its total assets in the securities of one or more issuers. Therefore, the Fund may be more susceptible than a diversified fund to being adversely affected by events impacting a single borrower, geographic location, security or investment type.

*Investment and Market Risk.* An investment in the Fund is subject to investment risk, including the possible loss of the entire amount that a Shareholder invests. The value of the Fund’s investments may move up or down, sometimes rapidly and unpredictably. At any point in time, Shares may be worth less than the original investment, even after taking into account the reinvestment of Fund dividends and distributions. Global economic, political and market conditions and economic uncertainty, including those caused by the ongoing COVID-19 pandemic, may adversely affect the Fund’s business, results of operations and financial condition.

*Risks Related to Specific Private Commercial Real Estate (“CRE”) Property Types.* The Fund intends to invest in a variety of Private CRE property types, which will expose the Fund to risks associated with Private CRE, including general risks affecting all types of Private CRE property and certain specific risks associated with specific types of Private CRE property.

*Valuation Risk.* The Fund is subject to valuation risk, which is the risk that one or more of the assets in which the Fund invests are priced incorrectly, due to factors such as incomplete data, market instability or human error. If the Fund ascribes a higher value to assets and their value subsequently drops or fails to rise because of market factors, returns on the Fund's investment may be lower than expected and could experience losses.

*Risks Related to the Fund's Tax Status as a REIT.* The Fund operates in a manner intended to qualify for treatment as a REIT under the Code. However, qualification as a REIT for tax purposes involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Notwithstanding the availability of cure provisions in the Code, various compliance requirements could be failed and could jeopardize the Fund's REIT tax status. Failure to qualify for taxation as a REIT would cause the Fund to be taxed as a regular corporation, which would substantially reduce funds available for distributions to Shareholders. In addition, complying with the requirements to maintain its REIT tax status may cause the Fund to forego otherwise attractive opportunities or to liquidate otherwise attractive investments, adversely affect the Fund's liquidity and force the Fund to borrow funds during unfavorable market conditions, and/or limit the Fund's ability to hedge effectively and cause the Fund to incur tax liabilities.

#### 4. Share Transactions

Below is a summary of transactions with respect to the Fund's common shares for the year ended December 31, 2022 and for the year ended December 31, 2021 (*all tabular amounts are in thousands except share data*):

	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Shares	Amount	Shares	Amount
<b>Common Shares:</b>				
Gross proceeds from offering	54,704,356	\$ 724,275	57,724,330	\$ 630,529
Reinvestment of distributions	419,966	5,560	67,560	805
Total gross proceeds	55,124,322	\$ 729,835	57,791,890	\$ 631,334
Less: Shares repurchased	(5,432,114)	(72,437)	(1,206,856)	(13,690)
<b>Net Proceeds from Common Shares</b>	<b>49,692,208</b>	<b>\$ 657,398</b>	<b>56,585,034</b>	<b>\$ 617,644</b>

As of December 31, 2022, the Fund has issued 10,000 common shares to the Sponsor and 500 common shares to Fundrise, L.P., an affiliate of the Sponsor. For the year ended December 31, 2022, total distributions declared to these related parties were approximately \$1,700.

#### 5. Repurchase Offers

The Fund operates as an interval fund under Rule 23c-3 of the 1940 Act and, as such, provides a limited degree of liquidity to Shareholders. As an interval fund, the Fund has adopted a fundamental policy to offer to repurchase at quarterly intervals a specified percentage of its outstanding Shares at NAV (the "Repurchase Offer Policy"). The Repurchase Offer Policy provides that, once each quarter, the Fund will offer to repurchase at NAV no less than 5% and no more than 25% of the outstanding Shares of the Fund, unless suspended or postponed in accordance with regulatory requirements. The Repurchase Offer Policy is a fundamental policy that may not be changed without the vote of the holders of a majority of the Fund's outstanding voting securities (as defined in the 1940 Act).

To conduct a repurchase offer, the Fund will send a repurchase offer notice to Shareholders no less than 21 days and no more than 42 days before the date (the "Repurchase Request Deadline") by which the Fund announces that Shareholders must tender their Shares in response to such repurchase offer notice. The Fund must receive repurchase requests submitted by Shareholders in response to the Fund's repurchase offer on or before the Repurchase Request Deadline.

The Repurchase Offer Policy provides that the repurchase pricing occurs no later than the 14th day after the Repurchase Request Deadline or the next business day if the 14th day is not a business day (the "Repurchase Pricing Date"). The repurchase price of the Shares will be the Fund's NAV as of the close of the Repurchase Pricing Date.

The Board, in its sole discretion, will determine the number of Shares that the Fund will offer to repurchase (“Repurchase Offer Amount”) for a given Repurchase Request Deadline. If Shareholders tender for repurchase more than the Repurchase Offer Amount for a given repurchase offer, the Fund may, but is not required to, repurchase an additional number of Shares not to exceed 2% of the outstanding Shares of the Fund on the Repurchase Request Deadline. If the Fund determines not to repurchase more than the Repurchase Offer Amount, or if Shareholders tender Shares in an amount exceeding the Repurchase Offer Amount plus 2% of the outstanding Shares on the Repurchase Request Deadline, the Fund will repurchase the Shares on a pro rata basis. However, the Fund may accept all Shares tendered for repurchase by Shareholders who own less than one hundred Shares and who tender all of their Shares, before prorating other amounts tendered.

The Fund may not condition a repurchase offer upon the tender of any minimum number of Shares. The Fund does not currently charge a repurchase fee, and it does not currently expect to impose a repurchase fee. However, the Fund may in the future charge a repurchase fee of up to 2.00%, subject to approval of the Board.

The following table presents the repurchase offers that were completed during the year ended December 31, 2022 (*all tabular amounts are in thousands except share data*):

<b>Repurchase Offers</b>	<b>Fourth Quarter Repurchase</b>
Commencement Date	November 30, 2021
Repurchase Request Deadline	December 31, 2021
Repurchase Pricing Date	January 3, 2022
Amount Repurchased	\$ 6,759
Shares Repurchased	527,647

<b>Repurchase Offers</b>	<b>First Quarter Repurchase</b>
Commencement Date	March 2, 2022
Repurchase Request Deadline	March 31, 2022
Repurchase Pricing Date	April 1, 2022
Amount Repurchased	\$ 12,446
Shares Repurchased	932,953

<b>Repurchase Offers</b>	<b>Second Quarter Repurchase</b>
Commencement Date	May 23, 2022
Repurchase Request Deadline	June 30, 2022
Repurchase Pricing Date	July 1, 2022
Amount Repurchased	\$ 22,072
Shares Repurchased	1,637,357

<b>Repurchase Offers</b>	<b>Third Quarter Repurchase</b>
Commencement Date	August 29, 2022
Repurchase Request Deadline	September 30, 2022
Repurchase Pricing Date	October 3, 2022
Amount Repurchased	\$ 31,160
Shares Repurchased	2,334,157

## 6. Investment Manager Fees and Other Related Party Transactions

The Fund entered into an Investment Management Agreement with the Adviser. Pursuant to the Investment Management Agreement, and in consideration of the services provided by the Adviser to the Fund, the Adviser is entitled to a management fee (the “Management Fee”) of 0.85% of the Fund’s average daily net assets. The Management Fee will be calculated and accrued daily and payable monthly in arrears.

The Adviser and the Fund also entered into an Expense Limitation Agreement. Pursuant to the Expense Limitation Agreement, the Adviser has agreed to waive its Management Fee and/or pay or reimburse the expenses of the Fund to the extent necessary to limit the Fund's Operating Expenses (including organizational and offering costs, but excluding property management, origination, acquisition, construction management, development, servicing, special servicing, disposition, liquidation fees or expenses and any other fees or expenses related to the operating of real property and debt and real-estate related investments, interest payments, taxes, brokerage commissions, third-party legal and audit fees, fees and expenses incurred in connection with the Fund's compliance with rules and regulations related to maintaining the Fund's tax status as a REIT, repurchase fees, fees and expenses incurred by the Fund's use of leverage, acquired fund fees and expenses and extraordinary or non-routine expenses) (the "Operating Expenses") to 2.00% of the Fund's average daily net assets. The Adviser will be entitled to seek reimbursement from the Fund for any contractual or voluntary fees waived or expenses paid or reimbursed to the Fund for a period ending thirty-six months after the date of the waiver, payment or reimbursement, subject to the limitation that a reimbursement will not cause the Fund's Operating Expenses to exceed the lesser of (a) the expense limitation amount in effect at the time such fees were waived or expenses paid or reimbursed, or (b) the expense limitation amount in effect at the time of the reimbursement.

All organizational and offering costs of the Fund paid by the Adviser shall be subject to reimbursement pursuant to the Expense Limitation Agreement. Subject to the limitations on reimbursements by the Fund under the Expense Limitation Agreement such reimbursements of organizational and offering costs will be made in monthly installments, but the aggregate monthly amount reimbursed can never exceed 1.00% of the aggregate gross proceeds from the offering of the Fund's Shares during the applicable month. If the sum of the total unreimbursed organizational and offering costs, plus new costs incurred since the last reimbursement payment exceeds the reimbursement limit described above for the applicable monthly installment, the excess will be eligible for reimbursement in subsequent months (subject to the 1.00% limit), calculated on an accumulated basis, until the Adviser has been reimbursed in full or until the Expense Limitation Agreement reimbursement period has expired.

The Expense Limitation Agreement remained in effect until May 1, 2022.

During the year ended December 31, 2022, there were no expenses waived and or paid by the Adviser. As of December 31, 2022, the Fund had no remaining expense waivers and/or reimbursements subject to recoupment by the Adviser.

The Fund will reimburse the Adviser for actual expenses incurred on behalf of the Fund in connection with the selection, acquisition or origination of an investment, to the extent not reimbursed by a third-party borrower, whether or not the Fund ultimately acquires or originates the investment. During the year ended December 31, 2022, there were no expenses incurred on behalf of the fund or reimbursed to the Adviser related to the selection, acquisition or origination of an investment.

The Fund will reimburse the Adviser for out-of-pocket expenses paid to third parties in connection with providing services to the Fund. This does not include the Adviser's overhead, employee costs borne by the Adviser, utilities or technology costs. Expense reimbursements payable to the Adviser also may include expenses incurred by the Sponsor in the performance of services pursuant to a shared services agreement between the Adviser and the Sponsor, including any increases in insurance attributable to the management or operation of the Fund. During the year ended December 31, 2022, there were approximately \$43,000 of expenses reimbursed to the Adviser pursuant to the shared services agreement.

The Adviser or its affiliates may be entitled to certain fees as permitted by the 1940 Act or as otherwise permitted by applicable law and regulation fees and expenses associated with the selection, acquisition or origination of real estate properties, construction, real estate development, special servicing of non-performing assets (including, but not limited to, reimbursement of non-ordinary expenses and employee time required to special service a non-performing asset), and the sale of equity investments in real estate. No such fees were incurred or paid by the Fund to the Adviser or its affiliates for the year ended December 31, 2022.

The Adviser and Rise Companies entered into a Shared Services Agreement where Rise Companies will provide the Adviser with the personnel, services and resources necessary for the Adviser to comply with its obligations and responsibilities under the Second Amended and Restated Operating Agreement ("Operating Agreement") and Investment Management Agreement, which includes responsibility for operations of the Fund and performance of such services and activities relating to the investments and operations of the Fund as may be appropriate, including without limitation those services and activities listed in the Operating Agreement and Investment Management Agreement.

## 7. Investments

The Fund gains exposure to Private CRE through co-investment arrangements, joint ventures or wholly owned subsidiaries (collectively, “Real Estate Investment Vehicles”). For the year ended December 31, 2022, Real Estate Investment Vehicles consist of entities in which the Fund co-invested alongside affiliates of the Fund, including those of the Adviser (“Real Estate Co-Investment Joint Ventures”), pursuant to the terms and conditions of the exemptive order issued by the SEC to the Fund, allowing the Fund to co-invest alongside certain entities affiliated with or managed by the Adviser.

Instead of acquiring full ownership of Private CRE investments through a wholly owned entity, the Fund acquires partial interests by entering into co-investment agreements with affiliates of the Adviser. The Fund’s ownership percentage in the Real Estate Co-Investment Joint Ventures will generally be pro rata to the amount of money the Fund applies to the origination or commitment amount for the underlying Private CRE or purchase price (including financing, if applicable) and the acquisition, construction, development, or renovation expenses, if any, of the underlying Private CRE, as applicable, owned by the Real Estate Co-Investment Joint Ventures. The Fund’s ownership in the Real Estate Co-Investment Joint Ventures is passive in nature, and the Fund may have a greater economic interest but fewer control rights in the Real Estate Co-Investment Joint Ventures than the affiliate in which the Fund co-invests alongside.

The Fund’s investments in real estate through the securities of a Real Estate Co-Investment Joint Ventures with its affiliates is subject to the requirements of the 1940 Act and terms and conditions of an exemptive order the Fund received from the SEC allowing the Fund and/or the Real Estate Co-Investment Joint Ventures to co-invest alongside certain entities affiliated with or managed by the Adviser (REITs (each, an “eREIT®”) or other non-REIT compliant real estate-related funds). The exemptive order from the SEC imposes extensive conditions on the terms of any co-investment made by an affiliate of the Fund. The Fund has adopted procedures reasonably designed to ensure compliance with the exemptive order and the Board also oversees risk relative to such compliance.

The Fund also invests in real estate through common stock of publicly traded REIT securities. Publicly traded REITs typically own large, diversified pools of CRE properties and employ moderate leverage. Many public REITs are listed on major stock exchanges, such as the New York Stock Exchange and NASDAQ. Public REITs pay out all of their taxable income as dividends to Shareholders. In turn, Shareholders pay the income taxes on those dividends. As of December 31, 2022, the Fund owned no investments in common stock.

The cost of purchases and proceeds from the sale of investments, other than short-term securities, for the year ended December 31, 2022, amounted to approximately \$761,412,000 and \$42,970,000, respectively.

As of December 31, 2022, Fundrise SFR JV 1, LLC and Fundrise MF JV 1, LLC, are deemed to be significant subsidiaries of the Fund in accordance with the definition of a “significant subsidiary” as defined by Regulation S-X 1-02(w)(2), *Definitions of terms used in Regulation S-X* (amendment effective January 1, 2021). Pursuant to Regulation S-X 3-09(b), *Separate financial statements of subsidiaries not consolidated and 50 percent or less owned persons*, separate audited financial statements for Fundrise SFR JV 1, LLC and Fundrise MF JV 1, LLC are included as exhibits to our filing.

## 8. Tax Basis Information

The timing and characterization of certain income, capital gains, and return of capital distributions are determined annually in accordance with federal tax regulations, which may differ from GAAP. As a result, the net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. These book/tax differences may be temporary or permanent in nature. To the extent these differences are permanent, they are charged or credited to paid-in capital, accumulated net investment income/loss or accumulated net realized gain/loss, as appropriate, in the period in which the differences arise.



As of December 31, 2022, the tax basis of distributable earnings (accumulated deficit) was as follows *(amounts in thousands)*:

Undistributed ordinary income (loss)	\$ (34,979)
Undistributed long-term capital gains (loss)	-
Tax accumulated earnings (loss)	<u>\$ (34,979)</u>
Accumulated capital and other losses	(3,035)
Other book/tax temporary differences (1)	(1,192)
Net unrealized gain (loss) on investments (2)	101,854
<b>Total Distributable Earnings</b>	<b><u>\$ 62,648</u></b>

(1) Other book/tax differences are attributable to deductibility of various expenses.

(2) The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable to the book/tax differences in the treatment of depreciation and other flow through income on certain investments.

As of December 31, 2022, the capital loss carryforwards were as follows *(amounts in thousands)*:

Capital loss carryforwards subject to five year expiration from the Statement of Assets and Liabilities date:

Short term	\$ 3,035
Long term	-
<b>Total capital loss carryforwards (1)</b>	<b><u>\$ 3,035</u></b>

(1) To the extent the Fund recognizes capital gains in future periods, they will be offset by unused capital loss carryforwards subject to IRC limitations.

During the tax years presented below, the tax character of distributions paid by the Fund was as follows *(amounts in thousands)*:

	<b>For the Tax Year Ended December 31, 2022</b>	<b>For the Tax Year Ended December 31, 2021</b>
Ordinary income	\$ -	\$ -
Long-term capital gain	-	-
Return of capital (1)	12,798	1,873
<b>Total Distributions Paid</b>	<b><u>\$ 12,798</u></b>	<b><u>\$ 1,873</u></b>

(1) The difference between tax-basis distributions and book-basis distributions is due to the timing of when distributions are considered paid pursuant to IRC section 858(a).

As of December 31, 2022, the unrealized appreciation and depreciation of investments, based on cost for federal income tax purposes, were as follows *(amounts in thousands)*:

Cost of investments for tax purposes	\$ 1,220,225
Gross tax unrealized appreciation	\$ 392,836
Gross tax unrealized depreciation	(290,982)
<b>Net Tax Unrealized Appreciation</b>	<b><u>\$ 101,854</u></b>

## 9. New Accounting Pronouncements

In June 2022, FASB issued Accounting Standards Update No. 2022-03 (“ASU 2022-03”), “Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions” (“Topic 820”). ASU 2022-03 clarifies the guidance in Topic 820, related to the measurement of the fair value of an equity security subject to contractual sale restrictions, where it eliminates the need to apply a discount to fair value of these securities, and introduces disclosure requirements related to such equity securities. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023, and allows for early adoption. The Fund is currently evaluating the implications, if any, of the additional requirements and its impact on the financial statements.

## 10. Subsequent Events

In connection with the preparation of the accompanying financial statements, the Fund has evaluated events and transactions occurring through February 28, 2023, the date at which the financial statements were available to be issued.

### *New Investments*

As of February 28, 2023, the Fund has contributed approximately \$13,200,000 of additional capital to various Real Estate Co-Investment Joint Ventures since December 31, 2022.

As of February 28, 2023, the Fund has contributed approximately \$25,650,000 of new capital to Fundrise SFR JV 2, LLC. The Fund initially acquired a 95% membership interest in Fundrise SFR JV 2, LLC, an affiliate, on January 9, 2023.

As of February 28, 2023, the Fund has invested approximately \$47,800,000 in fixed income securities since December 31, 2022.

### *Share Transactions*

As of February 28, 2023, the following repurchase offers have occurred (*all tabular amounts are in thousands except share data*):

<b>Repurchase Offers</b>	<b>First Quarter Repurchase</b>
Commencement Date	December 1, 2022
Repurchase Request Deadline	December 31, 2022
Repurchase Pricing Date	January 3, 2023
Amount Repurchased	\$ 53,402
Shares Repurchased	4,303,143



KPMG LLP  
Suite 900  
8350 Broad Street  
McLean, VA 22102

**Report of Independent Registered Public Accounting Firm**

To the Shareholders and Board of Directors of  
Fundrise Real Estate Interval Fund, LLC:

*Opinion on the Financial Statements*

We have audited the accompanying statement of assets and liabilities of Fundrise Real Estate Interval Fund, LLC (the Fund), including the schedule of investments, as of December 31, 2022, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the financial statements) and the financial highlights for each of the years in the two-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2022, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the two-year period then ended, in conformity with U.S. generally accepted accounting principles.

*Basis for Opinion*

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of December 31, 2022, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

*KPMG LLP*

We have served as the auditor of one or more Fundrise investment companies since 2019.

McLean, Virginia  
February 28, 2023

KPMG LLP, a Delaware limited liability partnership and a member firm of  
the KPMG global organization of independent member firms affiliated with  
KPMG International Limited, a private English company limited by guarantee.

**Additional Information (Unaudited):**

**1. Approval of Investment Management Agreement**

Section 15(c) of the Investment Company Act of 1940, as amended (the “1940 Act”), requires that each registered fund’s board of directors, including a majority of those directors who are not “interested persons” of the fund, as defined in the 1940 Act (the “Independent Directors”), initially approve, and annually review and consider the continuation of, the fund’s investment advisory agreement. At meetings held on January 3, 2020 (the “January Meeting”) and November 20, 2020 (the “November Meeting” and together with the January Meeting, the “Organizational Meeting”), the Board of Directors (the “Board”) of Fundrise Real Estate Interval Fund, LLC (the “Fund”) considered and discussed a proposed investment management agreement (the “Agreement”) between Fundrise Advisors, LLC (the “Adviser”) and the Fund. At the November 2022 Meeting, the Board, including each of the Independent Directors, unanimously voted to approve the Agreement for an initial two-year period. At the meeting of the Board of Directors held in November 2022 (the “November 2022 Meeting”), the Board unanimously voted to approve the renewal of the Agreement for an additional one-year period.

In the months preceding both the Organizational Meeting and the November 2022 Meeting, the Board reviewed written responses from the Adviser to questions posed to the Adviser by counsel on behalf of the Directors and supporting materials relating to those questions and responses. In addition, the Board considered such additional information as it deemed reasonably necessary to evaluate the Agreement. The Board also considered the materials and in-person presentations by Fund officers and representatives of the Adviser received at the Organizational Meeting and the November 2022 Meeting concerning the Agreement.

In determining whether to approve the Agreement, the members of the Board reviewed and evaluated information and factors they believed to be relevant and appropriate through the exercise of their reasonable business judgment. While individual members of the Board may have weighed certain factors differently, the Board’s determination to approve the Agreement was based on a comprehensive consideration of all information provided to the Board with respect to the approval of the Agreement. The Board was also furnished with an analysis of its fiduciary obligations in connection with its evaluation of the Agreement and, throughout the evaluation process, the Board was assisted by counsel for the Fund. While considering whether to renew the Agreement for an additional one-year period, the Board was also assisted by independent trustee counsel. In connection with their deliberations, the Independent Directors met separately in executive session to review the relevant materials. A more detailed summary of the important, but not necessarily all, factors the Board considered with respect to its approval of the Agreement, both initially and for the additional one-year term, is provided below.

**Nature, Extent and Quality of Services**

When determining whether to approve the Agreement, the Board considered information regarding the nature, extent and quality of services to be provided to the Fund by the Adviser. The Board considered, among other things, the terms of the Agreement and the range of services to be provided by the Adviser. The Board noted the non-investment advisory services to be provided by the Adviser consistent with the terms of the Agreement, including the supervision and coordination of the Fund’s service providers and the provision of administrative, management and other services. The Board considered the Adviser’s reputation, organizational structure, resources and overall financial strength and ability to carry out its obligations under the Agreement. The Board also considered that, although the Fund would be the first registered investment company managed by the Adviser, the Adviser had extensive experience managing other similar pooled investment vehicles that invest in real estate-related assets (the “Other Investment Vehicles”).

The Board considered the Adviser’s professional personnel who will provide services to the Fund, including the Adviser’s ability and experience in attracting and retaining qualified personnel to service the Fund. The Board also considered the compliance program and compliance record of the Adviser. The Board noted the Adviser’s support of the Fund’s compliance control structure, including the resources that will be devoted by the Adviser in support of the Fund’s obligations pursuant to Rule 38a-1 under the 1940 Act and the efforts of the Adviser to combat cybersecurity risks. The Board also considered the Adviser’s investments in business continuity planning designed to benefit the Fund. The Board noted the Adviser’s commitment to maintaining high quality systems and expending substantial resources to prepare for and respond to ongoing changes to the market, regulatory and control environments in which the Fund and its service providers operate.

The Board considered the day-to-day portfolio management services that the Adviser will provide to the Fund. In this regard, the Board considered, among other things, the Adviser's investment philosophy and processes, investment research capabilities and resources, performance record, experience, trading operations and approach to managing risk, including with respect to investments in real estate-related assets. The Board considered the quality and experience of the Fund's portfolio managers, the number of Other Investment Vehicles managed by the portfolio managers, and the Adviser's method for compensating the portfolio managers. Moreover, the Board considered that the Adviser would oversee potential conflicts of interest between the Fund's investments and those of the Other Investment Vehicles.

In addition, the Board considered the assumption of business, entrepreneurial, overall managerial and other risks by the Adviser in connection with launching and managing the Fund. The Board noted that the Fund is a closed-end interval fund that operates in accordance with the framework set forth in Rule 23c-3 under the 1940 Act. In this connection, the Board considered the special attributes of the Fund relative to traditional mutual funds and the benefits that are expected to be realized from an investment in the Fund, rather than a traditional mutual fund. The Board also considered the resources devoted by the Adviser and its affiliates in developing and maintaining an infrastructure necessary to support the on-going operations of the Fund.

After consideration of the foregoing factors, among others, the Board concluded that the nature, extent and quality of services to be provided by the Adviser, taken as a whole, are appropriate and consistent with the terms of the Agreement.

#### **Fund Performance**

When determining whether to initially approve the Agreement, the Board noted that the Fund was newly formed and did not have a prior performance record. The Board considered the investment performance of the Adviser and the Fund's portfolio managers, including, for purposes of considering the investment skill and experience of the Fund's portfolio managers, performance data showing the portfolio manager's capabilities in managing the Other Investment Vehicles. The Board reviewed the performance of each Other Investment Vehicle over different time periods presented in the materials and evaluated the Adviser's analysis of the Other Investment Vehicle's performance for these time periods. The Board noted that the Adviser did not manage a registered investment company that uses an investment strategy similar to that proposed for the Fund. The Board also considered performance data for an appropriate group of peer closed-end interval funds ("Peer Group") identified by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company data.

Based on these considerations, the Board concluded that it was satisfied that the Adviser has the capability of providing satisfactory investment performance for the Fund.

When determining whether to approve the renewal of the Agreement for an additional one-year period, the Board additionally considered the performance record of the Fund since commencement of investment operations on January 1, 2021. The Board considered key drivers to the Fund's performance during the period and compared the Fund's performance to that of the Peer Group identified by Broadridge. The Board also considered the appropriateness of the Peer Group and the metrics used in the comparison report. Based on these considerations, the Board concluded that Fund's performance under the management of the Adviser was satisfactory.

#### **Management Fees and Expenses**

When determining whether to approve the Agreement, the Board reviewed and considered the proposed management fee rate to be paid by the Fund to the Adviser under the Agreement and the Fund's anticipated total expense ratio. The Board received and reviewed a report prepared by Broadridge comparing the Fund's proposed management fee rate and anticipated total expense ratio relative to the Fund's Peer Group. In considering the reasonableness of the Fund's proposed management fee and anticipated total expense ratio, the Board considered that, according to the information provided by Broadridge, the Fund's contractual management fee, actual management fee and anticipated total expense ratio were each below the median of the Fund's Peer Group. The Board also noted the Adviser's contractual undertaking to limit the Fund's operating expenses to a specified level through an expense limitation agreement with the Fund.

The Board received and considered a description of the methodology used by Broadridge to select the closed-end interval funds in the Peer Group. While the Board recognized that comparisons between the Fund and its Peer Group may be imprecise given, among other differences, the different service levels and characteristics of registered funds and the different business model and cost structure of the Adviser, the comparative, independently-selected information provided by Broadridge assisted the Board in evaluating the reasonableness of the Fund's proposed management fee and anticipated total expense ratio.

The Board also received and considered information about the nature and extent of services offered and fee rates charged by the Adviser to the Other Investment Vehicles. The Board considered the explanations provided to the Adviser about any differences between the Adviser's services to be provided to the Fund and the services it provides to the Other Investment Vehicles. In this regard, the Board reviewed information about the generally broader scope of services and compliance, reporting and other legal burdens and risks of managing registered funds compared with those associated with managing assets of non-registered funds such as the Other Investment Vehicles. The Board also reviewed information about structural, operational and other differences between the Other Investment Vehicles and the Fund. Based on its consideration of the factors and information it deemed relevant, the Board concluded that the compensation payable to the Adviser under the Agreement was reasonable.

**Profitability**

The Board received and considered information about the Adviser's projected costs of launching the Fund and the projected profitability to the Adviser from providing services to the Fund. The Board received and considered information regarding the methodologies and estimates used by the Adviser in calculating and reporting profitability, including a description of the methodology used to allocate certain expenses. In evaluating the estimated profitability to the Adviser from providing services to the Fund, the Board considered the Adviser's representation that the level of estimated profitability was fair and reasonable based on the nature and quality of the services to be provided to Shareholders. The Board also noted that the actual profitability of the Fund to the Adviser would depend on, among other factors, the growth of the Fund's assets under management.

Based on its review, the Board did not deem the estimated profits reported by the Adviser from providing services to the Fund to be at a level that would prevent the Board from approving the Agreement.

**Economies of Scale**

The Board considered the extent to which economies of scale may be realized as the Fund's assets grow and whether the Fund's fee structure reflects these economies of scale for the benefit of Shareholders of the Fund. In this regard, the Board noted the absence of any breakpoints in the Agreement's fee structure but considered that expense limitations and fee waivers that reduce the Fund's expenses can have the same effect as breakpoints in sharing potential economies of scale with Shareholders. In addition, the Board considered that initially setting competitive fee rates, pricing the Fund to scale at inception and making additional investments in the business intended to enhance services available to Shareholders are other means of sharing potential economies of scale with Shareholders.

The Board concluded that the Adviser's arrangements with respect to the Fund constituted a reasonable approach to sharing potential economies of scale with the Fund and its Shareholders. The Board noted that it will have the opportunity to periodically reexamine whether the Fund has achieved any economies of scale and the appropriateness of any potential future management fee breakpoints as part of its future review of the Agreement.

**"Fall-Out" Benefits**

The Board received and considered information regarding potential "fall-out" or ancillary benefits that the Adviser and its affiliates may receive as a result of their relationships with the Fund. The Board noted that ancillary benefits could include, among others, benefits directly attributable to other relationships with the Fund and benefits potentially derived from an increase in the Adviser's and its affiliates' business as a result of their relationships with the Fund.

The Board noted that the Fund would be among the investment options available to investors participating in certain investment plans sponsored by the Adviser or its affiliates. The Board considered that the Adviser receives asset-based fees from plan participants, which the Board considered could be viewed as an indirect benefit to the extent investments in the Fund support these plans. The Board also considered information about certain fees that the Adviser or its affiliates may be entitled to receive in connection with the selection, acquisition or origination of real estate property investments by the Fund.

Based on its consideration of the factors and information it deemed relevant, the Board did not deem any ancillary benefits that may be received by the Adviser and its affiliates to be unreasonable.

## Conclusion

At the Organizational Meeting, based on its deliberations and its evaluation of the factors described above and other information it believed relevant, the Board unanimously approved the Agreement. At the November 2022 Meeting, based on its deliberations and its evaluation of the factors described above and other information it believed relevant, the Board unanimously approved an additional one-year period for the Agreement.

### 2. Disclosure of Portfolio Holdings

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT reports will be available without charge, upon request, by calling (202) 584-0550 or on the SEC's website at <http://www.sec.gov>.

### 3. Proxy Voting Policies and Procedures

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and, once available, information regarding how the Fund voted those proxies (if any) during the year ended December 31, 2022, is available (1) without charge, upon request, by calling (202) 584-0550, (2) on the Fund's website at [www.fundriseintervalfund.com](http://www.fundriseintervalfund.com) and (3) on the SEC's website at <http://www.sec.gov>. During the year ended December 31, 2022, the Fund did not have any investments that required the Fund to vote proxies, and therefore did not vote any proxies during such period.

### 4. Compensation of Directors

The Fund's Statement of Additional Information includes additional information about the Directors and is available (1) without charge, upon request, by calling (202) 584-0550, (2) on the Fund's website at [www.fundriseintervalfund.com](http://www.fundriseintervalfund.com) and (3) on the SEC's website at <http://www.sec.gov>.

The following table sets forth information regarding the total compensation to be paid to the Independent Directors for their services as Independent Directors for the Fund's fiscal year ended December 31, 2022. As an Interested Director, Mr. Miller receives no compensation from the Fund for his service as a Director. No other compensation or retirement benefits are received by any Director or officer from the Fund.

Name and Position	Aggregate Compensation from the Fund	Aggregate Compensation from the Fund and Fund Complex <sup>1</sup> Paid to Directors
Jeffrey R. Deitrich	\$ 30,000	\$ 105,000
Glenn R. Osaka	\$ 30,000	\$ 105,000
Gayle P. Starr	\$ 30,000	\$ 60,000
Mark D. Monte <sup>2</sup>	\$ 6,822	\$ 51,822
Alexander J. Rouse <sup>3</sup>	\$ 45,000	\$ 45,000

<sup>1</sup> The "Fund Complex" consists of the Fund, Fundrise Income Real Estate Fund, LLC, and Fundrise Growth Tech Fund, LLC.

<sup>2</sup> Mark D. Monte was appointed as an Independent Director of the Fund on July 19th. Mr. Monte will receive a pro-rata share of total compensation from the Fund for his service as an Independent Director for the fiscal year 2022.

<sup>3</sup> Alexander J. Rouse served as an Independent Director of the Fund until March 17, 2022. Mr. Rouse received \$45,000 in total compensation from the Fund for his service as an Independent Director.

### 5. Directors and Officers

The Fund is governed by a Board of Directors. The following tables present certain information regarding the Directors and officers of the Fund as of December 31, 2022. The address of all persons is c/o Fundrise Advisors, LLC, 11 Dupont Circle NW, 9th Floor, Washington, D.C. 20036. For more information regarding the Directors and officers, please refer to the Fund's Statement of Additional Information, which is available, without charge, upon request by calling (202) 584-0550.



Name, Year of Birth and Position Held	Term of Office and Length of Time Served <sup>1</sup>	Principal Occupation(s) During Past 5 Years or Longer	Number of Portfolios in Fund Complex <sup>2</sup> Overseen by Director	Other Directorships Held During Past 5 Years
<b>Independent Directors</b>				
Jeffrey R. Deitrich (1982)  Director	01/2020 to present	Senior Vice President, Silverstein Properties, Inc. (real estate investment and development firm) (2007-2016, 2022-Current); Formerly, Principal, Frenchtown Enterprises (real estate investment firm) (2019-2022); Principal, Better Building Solutions (technology integration and managed services firm) (since 2016). Asset Manager, Prudential Real Estate Investors (private equity) (2004-2007).	3	Fundrise Income Real Estate Fund, LLC, Fundrise Growth Tech Fund, LLC
Glenn R. Osaka (1955)  Lead Independent Director	01/2020 to present	Consultant and Private Investor (early stage technology companies) (since 2013). Formerly, Senior Vice President, Services, Juniper Networks, Inc. (2009-2013); Vice President, Strategy and Operations, Cisco Systems, Inc. (2007-2009); President and Chief Executive Officer, Reactivity Inc. (technology start-up company) (2001-2006); Managing Director, Redleaf Group (venture capital firm) (1999-2000); Vice President and General Manager, Enterprise Computing, Hewlett-Packard (1979-1998).	3	Fundrise Income Real Estate Fund, LLC, Fundrise Growth Tech Fund, LLC
Gayle P. Starr (1954)  Director	11/2020 to present	Consultant and Advisor, Starr RE Consultants, LLC (real estate and diversity consulting firm) (since 2019); Advisor, Bridge33 Capital, LLC (commercial real estate investment firm) (since 2019); Formerly, Advisor, First Republic Bank (commercial bank and trust company) (2019-2022); Managing Director (2015-2019) and Senior Vice President (2002-2015); Global Capital Markets, Prologis, Inc. (publicly traded real estate investment trust).	2	Fundrise Income Real Estate Fund, LLC
Mark D. Monte (1960)  Director	07/2022 to present	Retired. Formerly, Managing Director, BofA Securities, Inc. (global investment bank) (1997-2021).	2	Fundrise Income Real Estate Fund, LLC

The Fund’s Board of Directors (the “Board”) appointed Mark D. Monte to serve as a Director of the Fund, effective July 19, 2022.

Name, Year of Birth and Position Held	Term of Office and Length of Time Served <sup>1</sup>	Principal Occupation(s) During Past 5 Years or Longer	Number of Portfolios in Fund Complex <sup>2</sup> Overseen by Director	Other Directorships Held During Past 5 Years
<b>Interested Director</b>				
Benjamin S. Miller <sup>3</sup> (1976)  Director, Chairperson and President	01/2020 to present	Chief Executive Officer, Fundrise Advisors, LLC (since 2012); Co-Founder, Chief Executive Officer and Director, Rise Companies Corp. (since 2012); and officer of certain funds in the Fund Complex.	3	Fundrise Income Real Estate Fund, LLC, Fundrise Growth Tech Fund, LLC

<sup>1</sup> Each Director serves until his or her successor is elected and qualified, until the Fund terminates, or until he or she dies, resigns, retires voluntarily, or is otherwise removed or retired pursuant to the LLC Agreement.

<sup>2</sup> The “Fund Complex” consists of the Fund, Fundrise Income Real Estate Fund, LLC, and Fundrise Growth Tech Fund, LLC.

<sup>3</sup> Mr. Miller is considered to be an “interested person” of the Fund (as that term is defined by Section 2(a)(19) in the 1940 Act) because of his affiliation with the Adviser and/or its affiliates.

Name, Year of Birth and Position Held	Term of Office and Length of Time Served <sup>1</sup>	Principal Occupations During Past 5 Years
Michelle A. Mirabal (1988) Secretary and Chief Compliance Officer	11/2020 to present	Deputy General Counsel, Fundrise Advisors, LLC and Rise Companies Corp. (since 2019); Corporate Counsel, Amherst Residential, LLC (2018-2019); Associate, Hogan Lovells US LLP (2014-2018); and officer of certain funds in the Fund Complex.
Alison A. Staloch (1980) Treasurer and Principal Financial/Accounting Officer	07/2021 to present	Chief Financial Officer, Fundrise Advisors, LLC and Rise Companies Corp. (since 2021); Chief Accountant (2017-2021), Assistant Chief Accountant (2015-2017), Division of Investment Management, U.S. Securities and Exchange Commission; Senior Manager, KPMG LLP (2005-2015); and officer of certain funds in the Fund Complex.

<sup>1</sup> The term of office for each officer will continue indefinitely.

**Item 2. Code of Ethics**

As of the end of the period covered by this report, the Registrant has adopted a code of ethics that applies to the Registrant’s principal executive officer and principal financial officer. The Registrant did not grant any waivers, including implicit waivers, from any provisions of the code of ethics to the principal executive officer or principal financial officer during the period covered by this report.

A copy of the code of ethics is included as an exhibit to this report.

**Item 3. Audit Committee Financial Expert**

The Board of Directors has designated Jeffrey R. Deitrich, who serves on the Board’s Audit Committee, as an audit committee financial expert. Mr. Deitrich is considered by the Board of Directors to be an independent director.

**Item 4. Principal Accountant Fees and Services**

(a) Audit Fees: Audit fees billed to the Registrant as of December 31, 2022, were \$100,000, which is exclusive of audit fees totaling \$58,000 in connection with the annual audit that had not yet been billed to the Registrant as of December 31, 2022. These amounts represent aggregate fees billed by the Registrant's independent registered public accounting firm, (the "Accountant") in connection with the annual audit of the Registrant's financial statements and for services normally provided by the Accountant in connection with the Registrant's statutory and regulatory filings for that fiscal year, including N-2 Consent fees. The audit fees billed for the year ended December 31, 2021, were \$183,000.

(b) Audit-related fees billed to the Registrant were \$22,500 and \$0 for the year ended December 31, 2022, and the year ended December 31, 2021, respectively. These amounts represent assurance and related services by the Accountant that were reasonably related to the performance of the audit of the Registrant's financial statements that were not reported under paragraph (a) of this Item.

(c) Tax Fees: There were no tax fees billed to the Registrant for the year ended December 31, 2022, or the year ended December 31, 2021, for professional services rendered by the Accountant for tax compliance, tax advice, or tax planning.

(d) All Other Fees: The aggregate fees billed for products and services provided by the Accountant, other than the services reported in paragraphs (a) through (c) of this Item are \$2,900 and \$1,800 for the year ended December 31, 2022, and the year ended December 31, 2021, respectively. The fees primarily relate to a Accounting Research Online subscription.

(e)(1) The Audit Committee has adopted, and the Board has approved, a Policy on Pre-Approval of Audit and Non-Audit Services (the "Policy"), which is intended to comply with Rule 2-01 of Regulation S-X and sets forth guidelines and procedures to be followed by the Registrant when retaining an auditor to perform audit, audit-related, tax and other services for the Registrant. The Policy permits such services to be pre-approved by the Audit Committee pursuant to either a general pre-approval or specific pre-approval. Unless a type of service provided by the auditor has received general pre-approval, it requires specific pre-approval by the Audit Committee. Any proposed services exceeding pre-approved cost levels require specific pre-approval by the Audit Committee.

(e)(2) With respect to the services provided to the Registrant described in paragraphs (b) through (d) of this Item 4, no amount was approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not applicable.

(g) Non-audit fees of \$3,600 and \$40,386 were billed by the Accountant for services rendered to the Registrant's investment adviser for the year ended December 31, 2022, and the year ended December 31, 2021, respectively.

(h) Not applicable, all non-audit services that were rendered to the Registrant's investment adviser were pre-approved as required.

**Item 5. Audit Committee of Listed Registrants**

Not applicable.

**Item 6. Investments**

(a) The schedule of investments is included as part of the report to Shareholders filed under Item 1 of this form.

(b) There were no divestment of securities (as defined by Section 13(c) of the 1940 Act) for this annual reporting period.

## **Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies**

The Registrant's Board of Directors believes that the voting of proxies with respect to securities held by the Registrant is an important element of the overall investment process. The Board has adopted a Proxy Voting Policy (the "Registrant's Proxy Voting Policy") on behalf of the Registrant which delegates the responsibility for decisions regarding proxy voting for securities held by the Registrant to Fundrise Advisors, LLC, the Registrant's investment adviser (the "Adviser"), subject to the Board's continuing oversight. The Registrant's Chief Compliance Officer shall ensure that the Adviser has adopted a Proxy Voting Policy, which it will use to vote proxies for securities held by the Registrant (the "Adviser's Proxy Voting Policy") in a manner that is consistent with the Registrant's Proxy Voting Policy. The Board, including a majority of the Independent Directors, must approve the Adviser's Proxy Voting Policy as it relates to the Registrant. Due to the nature of the securities and other assets in which the Registrant intends to invest, proxy voting decisions for the Registrant may be limited.

The Registrant believes that the voting of proxies is an important part of portfolio management as it represents an opportunity for Shareholders to make their voices heard and to influence the direction of a company. The Registrant is committed to voting proxies received in a manner consistent with the best interests of the Registrant's Shareholders. The Registrant believes that the Adviser is in the best position to make individual voting decisions for the Registrant consistent with the Registrant's Proxy Voting Policy. Therefore, subject to the oversight of the Board, the Registrant has delegated the following duties to the Adviser pursuant to the Registrant's Proxy Voting Policy:

- to make the proxy voting decisions for the Registrant, in accordance with the Adviser's Proxy Voting Policy;
- to assist the Registrant in disclosing its proxy voting record as required by Rule 30b1-4 under the 1940 Act, including providing the following information for each matter with respect to which the Registrant is entitled to vote: (a) information identifying the matter voted on; (b) whether the matter was proposed by the issuer or by a security holder; (c) whether and how the Registrant cast its vote; and (d) whether the Registrant cast its vote for or against management; and
- to provide to the Board, at least annually, a record of each proxy voted by the Adviser on behalf of the Registrant, including a report on the resolution of all proxies identified by the Adviser as involving a conflict of interest.

In cases where a matter with respect to which the Registrant was entitled to vote presents a conflict between the interest of the Registrant's Shareholders, on the one hand, and those of the Adviser or its affiliate, on the other hand, the Registrant shall always vote in the best interest of the Registrant's Shareholders. For purposes of the Registrant's Proxy Voting Policy, a vote shall be considered in the best interest of the Registrant's Shareholders when a vote is cast consistent with the specific voting policy as set forth in the Adviser's Voting Policy, provided such specific voting policy was approved by the Board. The Adviser shall review with the Board any proposed material changes or amendments to the Adviser's Proxy Voting Policy prior to implementation.

The Registrant will file a Form N-PX with the Registrant's complete proxy voting record for the 12 months ended June 30, no later than August 31 of each year.

The copy of the Adviser's Proxy Voting Policy is set forth below.

### **Adviser Proxy Voting Policies and Procedures**

Fundrise Advisors, LLC (the "Adviser"), as a matter of policy and as a fiduciary to the Fundrise Real Estate Interval Fund, LLC (the "Fund"), has the responsibility for voting proxies for securities consistent with the best interests of the Fund. The Adviser maintains written procedures as to the handling, voting and reporting of proxy voting and makes appropriate disclosures about the Adviser's proxy procedures and the availability of the Adviser's proxy voting record. In general, the Adviser does not receive proxies to be voted due to the nature of its investments on behalf of the Fund; the procedures maintained by the Adviser are intended to comply with Rule 206(4)-6 under the Investment Advisers Act of 1940 (the "Advisers Act") in the infrequent instance that the Adviser receives a proxy, or other action requiring a vote, from a security held by the Fund.

## 1. Background and Description

In general, proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Investment advisers registered with the U.S. Securities and Exchange Commission, and which exercise voting authority with respect to client securities, are required by Rule 206(4)-6 under the Advisers Act to (a) adopt and implement written policies and procedures that are reasonably designed to ensure that client securities are voted in the best interests of clients, which must include how an adviser addresses material conflicts that may arise between an adviser's interests and those of its clients; (b) disclose to clients how they may obtain information from the adviser with respect to the voting of proxies for their securities; (c) describe to clients a summary of its proxy voting policies and procedures and, upon request, furnish a copy to its clients; and (d) maintain certain records relating to the adviser's proxy voting activities when the adviser does have proxy voting authority.

The purpose of these procedures (the "Procedures") is to set forth the principles, guidelines and procedures by which the Adviser may vote the securities held by the Fund for which the Adviser may exercise voting authority and discretion. These Procedures have been designed to ensure that proxies are voted in the best interests of the Fund in accordance with fiduciary duties and Rule 206(4)-6 under the Advisers Act.

## 2. Responsibility

The Adviser's Chief Compliance Officer (together with any designees, the "CCO") has responsibility for the implementation and monitoring of the Procedures, including associated practices, disclosures and recordkeeping.

## 3. Procedures

The Adviser has adopted the procedures below to implement its proxy voting policy and to monitor and ensure that the policy is observed and amended or updated, as appropriate.

### *Voting Procedures*

In the event the Adviser's personnel receive proxy materials on behalf of the Fund, the personnel will forward such materials to the appropriate members of the Adviser's Investment Committee to vote the proxy. The Adviser's Investment Committee will analyze the proxy materials and determine how the Adviser should vote the proxy in accordance with applicable voting guidelines below. The CCO is responsible for coordinating this process in a timely and appropriate manner and delivering the proxy prior to the voting deadline.

The Adviser may engage a third-party proxy research and voting service to assist it in researching, recordkeeping and voting of proxies, subject to appropriate oversight.

### *Proxy Voting Guidelines*

The following guidelines (the "Guidelines") will inform the Adviser's proxy voting decisions:

- The guiding principle by which the Adviser votes on all matters submitted to security holders is the maximization of the ultimate economic value of the Fund's holdings. The Adviser does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, the guiding principle set forth above.
- The Adviser will seek to avoid situations where there is any material conflicts of interest affecting its voting decisions. Any material conflicts of interest, regardless of whether actual or perceived, will be addressed in accordance with the conflict resolution procedures (see below).

- The Adviser generally will vote on all matters presented to security holders in any proxy. However, Adviser reserves the right to abstain on any particular vote or otherwise withhold its vote on any matter if, in the judgment of Adviser, the costs associated with voting such proxy outweigh the benefits to the Fund or if the circumstances make such an abstention or withholding otherwise advisable and in the best interest of the Fund, in the judgment of Adviser.
- Proxies will be voted in accordance with the Fund's proxy voting policies and procedures, any applicable investment policies or restrictions of the Fund and, to the extent applicable, any resolutions or other instructions approved by the Fund's Board of Directors.
- Absent any legal or regulatory requirement to the contrary, the Adviser generally will seek to maintain the confidentiality of the particular votes that it casts on behalf of the Fund; however, the Adviser recognizes that the Fund must disclose the votes cast on its behalf in accordance with all legal and regulatory requirements.

While these Guidelines are intended to provide a benchmark for voting standards, each vote is ultimately cast on a case-by-case basis, taking into consideration the Adviser's contractual obligations to the Fund and all other relevant facts and circumstances at the time of the vote (such that these Guidelines may be overridden to the extent Adviser believes appropriate).

#### *Conflicts of Interest*

In certain instances, a potential or actual material conflict of interest may arise when the Adviser votes a proxy. As a fiduciary to the Fund, the Adviser takes these conflicts very seriously. While the Adviser's primary goal in addressing any such conflict is to ensure that proxy votes are cast in the Fund's best interest and are not affected by the Adviser's potential or actual material conflict, there are a number of courses that the Adviser may take. The final decision about which course to follow shall be made by the Adviser's Investment Committee. The Investment Committee may cause any of the following actions, among others, to be taken in that regard:

- vote the relevant proxy in accordance with the vote indicated by the Guidelines;
- vote the relevant proxy as an exception to Guidelines, provided that the reasons behind the voting decision are in the best interest of the Fund, are reasonably documented and are approved by the Adviser's CCO;
- engage an unaffiliated third-party proxy advisor to provide a voting recommendation or direct the proxy advisor to vote the relevant proxy in accordance with its independent assessment of the matter; or
- "echo vote" or "mirror vote" the relevant proxy in the same proportion as the votes of other proxy holders.

#### *Disclosure*

The Adviser will provide conspicuously displayed information in the Fund's registration statement summarizing these Procedures, including a statement that Shareholders may request information regarding how the Adviser voted the Fund's proxies, and may request a copy of these Procedures.

#### *Requests for Information*

All requests for information regarding proxy votes, or these Procedures, received by any Adviser personnel should be forwarded to the Adviser's CCO. In response to any request from a Fund shareholder, the CCO will prepare a written response with such information as the CCO determines, in its sole discretion, should be shared with the Fund shareholder.

## Recordkeeping

The Adviser's CCO shall retain the following records:

- These Procedures and any amendments;
- Each proxy statement that the Adviser receives;
- A record of each vote that the Adviser casts;
- Any document the Adviser created that was material to deciding how to vote a proxy, or that memorializes that decision; and
- A copy of each written request for information on how the Adviser voted proxies, and a copy of any written response.

### Item 8. Portfolio Managers of Closed-End Management Investment Companies

(a)(1) As of the date of this filing, Benjamin S. Miller, Brandon T. Jenkins, and R. Whitaker Booth are the Registrant's portfolio managers and are primarily responsible for day-to-day management of the Registrant's investment portfolio.

*Benjamin S. Miller* – Mr. Miller currently serves as Chief Executive Officer of the Adviser and has served as Chief Executive Officer and a Director of Rise Companies since its inception on March 14, 2012. In December 2011, Mr. Miller started Popularise LLC, a real estate crowdsourcing website, which he currently manages. Prior to Rise Development, Mr. Miller had been a Managing Partner of the real estate company WestMill Capital Partners from October 2010 to June 2012, and before that, was President of Western Development Corporation from April 2006 to October 2010, after joining the company in early 2003 as a board advisor and then as COO in 2005. Western Development Corp. is one of the largest retail, mixed-use real estate companies in Washington, D.C.. While at Western Development, Mr. Miller led the development activities of over 1.5 million square feet of property, including more than \$300 million of real estate acquisition and financing. Mr. Miller was an Associate and part of the founding team of Democracy Alliance, a progressive investment collaborative, from 2003 until he joined Western Development in 2005. From 1999 to 2001, Mr. Miller was an associate in business development at Lyte Inc., a retail technology start-up. Starting in 1997 until 1999, Mr. Miller worked as an analyst at a private equity real estate fund, Lubert-Adler, and for venture capital firm IL Management. Mr. Miller has a Bachelor of Arts from the University of Pennsylvania. Mr. Miller is on the Board of Trustees of the National Center for Children and Families.

*Brandon T. Jenkins* – Mr. Jenkins currently serves as Chief Operating Officer of the Adviser and has served in such capacities with the sponsor since February of 2014, prior to which time he served as Head of Product Development and Director of Real Estate which he continues to do currently. Additionally, Mr. Jenkins has served as Director of Real Estate for WestMill Capital Partners since March of 2011. Previously, Mr. Jenkins spent two and a half years as an investment advisor and sales broker at Marcus & Millichap, the largest real estate investment sales brokerage in the country. Prior to his time in brokerage, Mr. Jenkins also worked for Westfield Corporation, a leading shopping center owner. Mr. Jenkins earned his Bachelor of Arts in Public Policy and Economics from Duke University.

*R. Whitaker Booth* – Mr. Booth has served as Senior Vice President of Real Estate at Rise Companies since February 2020, and has supported real estate acquisition, asset management and valuation functions since joining the company in July 2014. Previously, Mr. Booth worked in debt underwriting at Walker & Dunlop and RMBS litigation in Navigant Consulting's Disputes and Investigations practice. Mr. Booth received his MBA from University of Pennsylvania's Wharton School and his Bachelor of Science in Commerce from University of Virginia's McIntire School.

(a)(2) The portfolio managers primarily responsible for the day-to-day management of the Registrant's portfolio also manage other pooled investment vehicles, as indicated below. The following table identifies, as of December 31, 2022: (i) the number of other registered investment companies, other pooled investment vehicles and other accounts managed by each portfolio manager; (ii) the total assets of such companies, vehicles and accounts; and (iii) the number and total assets of such companies, vehicles and accounts that are subject to an advisory fee based on performance, unless otherwise noted:



<b>Name</b>	<b>Number of Other Accounts Managed</b>	<b>Total Assets of Other Accounts Managed (Millions)</b>	<b>Number of Other Accounts Managed Paying Performance Fees</b>	<b>Total Assets of Other Accounts Managed Paying Performance Fees (Millions)</b>
<b>Benjamin S. Miller</b>				
Registered Investment Companies	2	\$ 569.95	0	\$ 0
Other Pooled Investment Vehicles	12	\$ 1,604.42	1	\$ 45.22
Other Accounts	0	\$ 0	0	\$ 0
<b>Brandon T. Jenkins</b>				
Registered Investment Companies	2	\$ 569.95	0	\$ 0
Other Pooled Investment Vehicles	12	\$ 1,604.42	1	\$ 45.22
Other Accounts	0	\$ 0	0	\$ 0
<b>R. Whitaker Booth</b>				
Registered Investment Companies	1	\$ 535.06	0	\$ 0
Other Pooled Investment Vehicles	12	\$ 1,604.42	1	\$ 45.22
Other Accounts	0	\$ 0	0	\$ 0

#### Conflicts of Interest

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one investment account. Portfolio managers who manage other investment accounts in addition to a Registrant may be presented with the potential conflicts summarized below. The Adviser has adopted various policies and procedures designed to address potential conflicts of interest and intended to provide for fair and equitable management, also summarized below.

*General.* The officers and directors of the Adviser and the key real estate and debt finance professionals of Rise Companies who perform services for the Registrant on behalf of the Adviser are also officers, directors, managers, and/or key professionals of Rise Companies and other Fundrise entities (such as the eREITs<sup>®</sup> and the Fundrise eFund<sup>™</sup> and any additional funds registered under the 1940 Act and sponsored by the Sponsor). These persons have legal obligations with respect to those entities that are similar to their obligations to the Registrant. In the future, these persons and other affiliates of Rise Companies may organize other real estate-related or debt-related programs and acquire for their own account real estate-related investments that may be suitable for the Registrant. In addition, Rise Companies may grant equity interests in the Adviser to certain management personnel performing services for the Adviser.

*Payment of Certain Fees and Expenses of the Adviser.* The Management Fee paid to Adviser will be based on the Registrant's NAV, which will be calculated by Rise Companies' internal accountants and asset management team. The Adviser may benefit by the Registrant retaining ownership of its assets at times when Shareholders may be better served by the sale or disposition of the Registrant's assets in order to avoid a reduction in the Registrant's NAV.

*Allocation of Investment Opportunities.* The Registrant relies on the Adviser's executive officers and Rise Companies' key real estate and debt finance professionals who act on behalf of the Adviser to identify suitable investments. Rise Companies and other Fundrise entities also rely on these same key real estate and debt finance professionals. Rise Companies has in the past, and expects to continue in the future, to offer other Fundrise Platform investment opportunities, primarily through the Fundrise Platform, including offerings that acquire or invest in commercial real estate ("CRE") equity investments, including multifamily residential properties, CRE loans, and other select real estate-related assets.

These additional programs may have investment criteria that compete with the Registrant.

If a sale, financing, investment or other business opportunity would be suitable for more than one program, Rise Companies will allocate it using its business judgment. Any allocation of this type may involve the consideration of a number of factors that Rise Companies determines to be relevant.

Except under any policies that may be adopted by the Adviser, which policies will be designed to minimize conflicts among the programs and other investment opportunities provided on the Fundrise Platform, no program or Fundrise Platform investment opportunity (including the Registrant) will have any duty, responsibility or obligation to refrain from:

- engaging in the same or similar activities or lines of business as any program or Fundrise Platform investment opportunity;
- doing business with any potential or actual tenant, lender, purchaser, supplier, customer or competitor of any program or Fundrise Platform investment opportunity;
- engaging in, or refraining from, any other activities whatsoever relating to any of the potential or actual tenants, lenders, purchasers, suppliers or customers of any program or Fundrise Platform investment opportunity;
- establishing material commercial relationships with another program or Fundrise Platform investment opportunity; or
- making operational and financial decisions that could be considered to be detrimental to another program or Fundrise Platform investment opportunity.

In addition, any decisions by the Adviser to renew, extend, modify or terminate an agreement or arrangement, or enter into similar agreements or arrangements in the future, may benefit one program more than another program or limit or impair the ability of any program to pursue business opportunities. In addition, third parties may require as a condition to their arrangements or agreements with or related to any one particular program that such arrangements or agreements include or not include another program, as the case may be. Any of these decisions may benefit one program more than another program.

The Adviser may determine it appropriate for the Registrant and one or more Fundrise entities (such as the eREITs<sup>®</sup> and eFund<sup>™</sup> and any additional funds registered under the 1940 Act and sponsored by the Sponsor) to participate in an investment opportunity. To the extent the Fund is able to make co-investments with other Fundrise entities, these co-investment opportunities may give rise to conflicts of interest or perceived conflicts of interest among the Registrant and the other participating Fundrise entities. To mitigate these conflicts, the Adviser will seek to execute such transactions for all of the participating entities, including the Registrant, on a fair and equitable basis, taking into account such factors as available capital, portfolio concentrations, suitability and any other factors deemed appropriate. However, there can be no assurance the risks posed by these conflicts of interest will be mitigated.

In order to avoid any actual or perceived conflicts of interest among the Fundrise Platform investment opportunities and with the Adviser's directors, officers and affiliates, the Registrant has adopted a conflicts of interest policy to specifically address some of the conflicts relating to the Registrant's activities. There is no assurance that these policies will be adequate to address all of the conflicts that may arise or will address such conflicts in a manner that is favorable to the Fund. The Adviser may modify, suspend or rescind the policies set forth in the conflicts policy, including any resolution implementing the provisions of the conflicts policy, in each case, without a vote of the Fund's Shareholders.

*Allocation of the Registrant Affiliates' Time.* The Registrant relies on Rise Companies' key real estate and debt finance professionals who act on behalf of the Adviser, including Mr. Benjamin S. Miller, for the day-to-day operation of the Registrant's business. Mr. Benjamin S. Miller is also the Chief Executive Officer of Rise Companies and other Fundrise entities. As a result of his interests in other Fundrise entities, his obligations to other investors and the fact that he engages in and he will continue to engage in other business activities on behalf of himself and others, Mr. Benjamin S. Miller will face conflicts of interest in allocating his time among the Registrant, the Adviser and other Fundrise entities and other business activities in which he is involved. However, the Registrant believes that the Adviser and its affiliates have sufficient real estate and debt finance professionals to fully discharge their responsibilities to the Fundrise entities for which they work.

*Receipt of Fees and Other Compensation by the Adviser and its Affiliates.* The Adviser and its affiliates will receive fees from the Registrant. These fees could influence the Adviser's advice to the Registrant as well as the judgment of affiliates of the Adviser, some of whom also serve as the Adviser's officers and directors and the key real estate and debt finance professionals of Rise Companies. Among other matters, these compensation arrangements could affect their judgment with respect to:

- the continuation, renewal or enforcement of provisions in the LLC Agreement involving the Adviser and its affiliates or the Investment Management Agreement;
- the offering of shares by the Registrant, which entitles the Adviser to a Management Fee and other fees;
- acquisitions of investments and originations of equity or loans at higher purchase prices, which entitle the Adviser to higher acquisition fees and origination fees regardless of the quality or performance of the investment or loan;
- borrowings up to the Registrant's stated borrowing policy to acquire investments and to originate loans, which borrowings will increase the Management Fee payable by the Registrant to the Adviser;
- whether the Registrant seeks necessary approvals to internalize the Registrant's management, which may entail acquiring assets (such as office space, furnishings and technology costs) and the key real estate and debt finance professionals of Fundrise Companies who are performing services for the Registrant on behalf of the Adviser for consideration that would be negotiated at that time and may result in these real estate and debt finance professionals receiving more compensation from the Registrant than they currently receive from Rise Companies; and
- whether and when the Registrant merges or consolidates its assets with other funds, including funds affiliated with the Adviser.

*Duties Owed by Some of the Registrant's Affiliates to the Adviser and the Adviser's Affiliates.* The Adviser's officers and directors and the key real estate and debt finance professionals of Rise Companies performing services on behalf of the Adviser are also officers, directors, managers and/or key professionals of:

- Rise Companies;
- the Adviser;
- Fundrise, LLC;
- other investment programs sponsored by Rise Companies; and
- other Fundrise entities.

As a result, they owe duties to each of these entities, their shareholders, members and limited partners. These duties may from time to time conflict with the duties that they owe to the Registrant.

(a)(3) Each of the Registrant's portfolio managers receives compensation for his services, including services performed for the Registrant on behalf of the Adviser, from Rise Companies. In an effort to retain key personnel, Rise Companies has structured its compensation plans for portfolio managers (and other key personnel) in a manner that it believes is competitive with other similar investment management firms. The portfolio managers are compensated with a fixed base salary and discretionary bonus based on, among other factors, the overall performance of Rise Companies. The bonus structure is formula driven and is not tied to the investment returns generated by, or the value of assets held in, the Registrant or any of the other accounts managed.

(a)(4) The following table discloses the dollar range of equity securities beneficially owned by the portfolio managers of the Fund as of December 31, 2022.

Name of Portfolio Manager	Dollar Range of Equity Securities in the Fund
Benjamin S. Miller	\$ 0-10,000
Brandon T. Jenkins	\$ 0-10,000
R. Whitaker Booth	\$ 20,000-30,000

**Item 9. Purchase of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers**

There were no repurchases of equity securities by the Sponsor or other affiliated purchasers for this annual reporting period.

**Item 10. Submission of Matters to a Vote of Security Holders**

As of February 28, 2023, there have been no material changes in the procedures by which Shareholders may recommend nominees to the Board of Directors.

**Item 11. Controls and Procedures**

(a) The Registrant's principal executive officer and principal financial officer have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the 1940 Act) are effective as of a date within 90 days of the filing date of this Report, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies**

Not applicable.

**Item 13. Exhibits**

[\(a\)\(1\) Registrant's Code of Ethics is filed herewith.](#)

[\(a\)\(2\) A separate certification for each of the Registrant's Principal Executive Officer and Principal Financial Officer as required by Rule 30a-2\(a\) under the 1940 Act \(17 CFR 270.30a-2\(a\)\) and Section 302 of the Sarbanes-Oxley Act of 2002 is filed herewith.](#)

(a)(3) Not applicable.

(a)(4) Not applicable.

[\(b\) Certifications pursuant to Rule 30a-2\(b\) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are filed herewith.](#)

[\(c\)\(1\) Audited Financial Statements of Fundrise SFR JV 1, LLC as of December 31, 2022](#)

[\(c\)\(2\) Audited Financial Statements of Fundrise MF JV 1, LLC as of December 31, 2022](#)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Fundrise Real Estate Interval Fund, LLC**

By: /s/ Benjamin S. Miller  
Name: Benjamin S. Miller  
Title: President

Date: February 28, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this Report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

By: /s/ Benjamin S. Miller  
Name: Benjamin S. Miller  
Title: Principal Executive Officer

Date: February 28, 2023

By: /s/ Alison A. Staloch  
Name: Alison A. Staloch  
Title: Treasurer and Principal Financial/Accounting Officer

Date: February 28, 2023

**FINANCIAL OFFICER CODE OF ETHICS****1. Introduction**

The reputation and integrity of Fundrise Real Estate Interval Fund, LLC (the "Fund") are valuable assets that are vital to the Fund's success. The Fund has adopted this Code of Ethics (the "Code") to comply with Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated by the Securities and Exchange Commission (the "SEC") thereunder. This Code is in addition to, not in replacement of, the Code of Ethics adopted by the Fund for access persons pursuant to Rule 17j-1 under the Investment Company Act of 1940 (the "1940 Act").

The Fund requires its Principal Executive Officer, Principal Financial/Accounting Officer, or other Fund officers performing similar functions (collectively, the "Principal Officers") to maintain the highest ethical and legal standards while performing their duties and responsibilities to the Fund, with particular emphasis on those duties that relate to the preparation and reporting of the financial information of the Fund. The principles and responsibilities below shall govern the professional conduct of the Principal Officers:

**2. Honest and Ethical Conduct**

The Principal Officers shall act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships, and shall report any material transaction or relationship that reasonably could be expected to give rise to such conflict between their interests and those of the Fund to the Audit Committee of the Board of Directors of the Fund (the "Board") or to the full Board and, in addition, to any other appropriate person or entity that may reasonably be expected to deal with any conflict of interest in a timely and expeditious manner.

The Principal Officers shall act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing their independent judgment to be subordinated or compromised.

**3. Financial Records and Reporting**

The Principal Officers shall provide full, fair, accurate, timely and understandable disclosure in the reports and/or other documents to be filed with or submitted to the SEC or other applicable body by the Fund, or that is otherwise publicly disclosed or communicated. The Principal Officers shall comply with applicable rules and regulations of federal, state, and local governments, and other appropriate private and public regulatory agencies.

The Principal Officers shall respect the confidentiality of information acquired in the course of their work and shall not disclose such information except when authorized or legally obligated to disclose. The Principal Officers will not use confidential information acquired in the course of their duties as Principal Officers.

The Principal Officers shall share knowledge and maintain skills important and relevant to the Fund's needs; shall proactively promote ethical behavior of the Fund's officers and with industry peers and associates; and shall maintain control over and responsibly manage assets and resources employed or entrusted to them by the Fund.

4. Compliance with this Code of Ethics

The Principal Officers shall promptly report any violations of this Code to the Fund's Chief Compliance Officer (the "CCO"), the Audit Committee of the Board or the full Board and shall be held accountable for strict adherence to this Code. A proven failure to uphold the standards stated herein shall be grounds for such sanctions as shall be reasonably imposed by the Board.

Principal Officers who report violations or suspected violations in good faith will not be subject to retaliation of any kind. Reported violations will be investigated and addressed promptly and will be treated confidentially to the extent possible.

5. Amendment and Waiver

This Code may only be amended or modified by approval of the Board. Any substantive amendment that is not technical or administrative in nature or any material waiver, implicit or otherwise, of any provision of this Code of Ethics, shall be communicated publicly in accordance with Item 2 of Form N-CSR under the 1940 Act.

6. Questions about the Code

The Board has designated the CCO to implement and administer this Code. Any questions about this Code should be directed to the CCO.



**CERTIFICATION**

I, Benjamin S. Miller, certify that:

1. I have reviewed this report on Form N-CSR of the Fundrise Real Estate Interval Fund, LLC (File Number 811-23448, CIK Number 0001777677);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period(s) covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the schedule of investments, financial condition, results of operations, changes in net assets, cash flows, and financial highlights of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2023

By: /s/ Benjamin S. Miller  
Benjamin S. Miller  
President and Principal Executive Officer

---

**CERTIFICATION**

I, Alison A. Staloch, certify that:

1. I have reviewed this report on Form N-CSR of the Fundrise Real Estate Interval Fund, LLC (File Number 811-23448, CIK Number 0001777677);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period(s) covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the schedule of investments, financial condition, results of operations, changes in net assets, cash flows, and financial highlights of the registrant as of, and for, the period(s) presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2023

By: /s/ Alison A. Staloch

Alison A. Staloch

Treasurer and Principal Financial/Accounting Officer

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**CERTIFICATION**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of the Fundrise Real Estate Interval Fund, LLC (the "Registrant") does hereby certify, to such officer's knowledge, that:

The annual report on Form N-CSR of the Registrant for the year ended December 31, 2022 (the "Form N-CSR") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form N-CSR fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: February 28, 2023

By: /s/ Benjamin S. Miller  
Benjamin S. Miller  
President and Principal Executive Officer

Date: February 28, 2023

By: /s/ Alison A. Staloch  
Alison A. Staloch  
Treasurer and Principal Financial/Accounting Officer

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## **Fundrise SFR JV 1, LLC**

**Delaware**  
**(State or other jurisdiction of  
incorporation or organization)**

**86-1351302**  
**(I.R.S. Employer  
Identification Number)**

### **Consolidated Financial Statements and Supplemental Schedules As of and for the Year Ended December 31, 2022**

**For questions contact:**  
**Telephone: (202) 584-0550**  
**Email: [investments@fundrise.com](mailto:investments@fundrise.com)**

**11 Dupont Circle NW, 9<sup>th</sup> Floor**  
**Washington, D.C. 20036**  
**(202) 584-0550**

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**Fundrise SFR JV 1, LLC**

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KPMG LLP  
Suite 900  
8350 Broad Street  
McLean, VA 22102

### **Independent Auditors' Report**

To the Members  
Fundrise SFR JV 1, LLC:

#### *Opinion*

We have audited the consolidated financial statements of Fundrise SFR JV 1, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, members' equity, and cash flows for the year ended December 31, 2022 and for the period from January 4, 2021 (Inception) to December 31, 2021, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the year ended December 31, 2022 and for the period from January 4, 2021 (Inception) to December 31, 2021 in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Other Information*

Management is responsible for the other information attached to the consolidated financial statements. The other information comprises balance sheets as of December 31, 2022 for each of the Company's subsidiaries and related statements of operations for the year then ended, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*KPMG LLP*

McLean, Virginia  
February 25, 2023

Fundrise SFR JV 1, LLC

Consolidated Balance Sheets  
(Amounts in thousands)

	As of December 31, 2022	As of December 31, 2021
<b>ASSETS</b>		
Cash	\$ 22,828	\$ 22,218
Restricted cash	25,089	9,060
Other assets, net	12,063	7,042
Deposits	45,722	24,245
Derivative financial instrument	3,339	149
Investments in rental real estate properties, net	1,238,075	428,554
Investments in real estate held for improvement	23,215	46,921
<b>Total Assets</b>	<b>\$ 1,370,331</b>	<b>\$ 538,189</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 20,793	\$ 9,339
Due to related parties	1,308	319
Distributions payable	-	700
Rental security deposits and other liabilities	7,467	2,813
Notes payable	7,818	-
Mortgages payable, net	163,161	-
Credit facilities	430,469	279,200
<b>Total Liabilities</b>	<b>631,016</b>	<b>292,371</b>
<b>Total Members' Equity</b>	<b>739,315</b>	<b>245,818</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 1,370,331</b>	<b>\$ 538,189</b>

The accompanying notes are an integral part of these consolidated financial statements.



Fundrise SFR JV 1, LLC

Consolidated Statements of Operations

(Amounts in thousands)

	For the Year Ended December 31, 2022	For the Period January 4, 2021 (Inception) through December 31, 2021
<b>Revenue</b>		
Rental revenue	\$ 53,611	\$ 9,060
Other revenue	6,579	1,383
<b>Total Revenue</b>	<b>60,190</b>	<b>10,443</b>
<b>Expenses</b>		
Depreciation and amortization	33,316	5,237
Property operations and maintenance	32,164	4,389
Asset management and other fees	5,780	-
General and administrative expenses	3,647	582
<b>Total Expenses</b>	<b>74,907</b>	<b>10,208</b>
<b>Other Income (Expense)</b>		
Interest expense	(22,170)	(3,434)
Increase (decrease) in fair value of derivative financial instrument	3,190	(18)
<b>Total Other Expenses</b>	<b>(18,980)</b>	<b>(3,452)</b>
<b>Net Loss</b>	<b>\$ (33,697)</b>	<b>\$ (3,217)</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Fundrise SFR JV 1, LLC**

**Consolidated Statements of Members' Equity**

(Amounts in thousands)

	<u>Operating Member</u>	<u>Investor Member</u>	<u>Total Members' Equity</u>
<b>January 4, 2021 (Inception)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Contributions	25,056	225,509	250,565
Distributions	(153)	(1,377)	(1,530)
Net loss	(322)	(2,895)	(3,217)
<b>December 31, 2021</b>	<b>\$ 24,581</b>	<b>\$ 221,237</b>	<b>\$ 245,818</b>
Contributions	57,700	519,300	577,000
Distributions	(4,981)	(44,825)	(49,806)
Net loss	(3,370)	(30,327)	(33,697)
<b>December 31, 2022</b>	<b>\$ 73,930</b>	<b>\$ 665,385</b>	<b>\$ 739,315</b>

The accompanying notes are an integral part of these consolidated financial statements.

Fundrise SFR JV 1, LLC

Consolidated Statements of Cash Flows  
(Amounts in thousands)

	For the Year Ended December 31, 2022	For the Period January 4, 2021 (Inception) through December 31, 2021
<b>OPERATING ACTIVITIES:</b>		
Net loss	\$ (33,697)	\$ (3,217)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	33,316	5,237
Amortization of deferred financing costs	3,149	753
Bad debt expense	1,777	109
(Increase) decrease in fair value of derivative financial instrument	(3,190)	18
Changes in assets and liabilities:		
Net increase in other assets	(6,687)	(3,278)
Net increase in accounts payable and accrued expenses	5,715	2,675
Net increase (decrease) in due to related parties	924	(1,575)
Net increase in rental security deposits and other liabilities	4,654	2,813
<i>Net cash provided by operating activities</i>	<u>5,961</u>	<u>3,535</u>
<b>INVESTING ACTIVITIES:</b>		
Acquisition of rental real estate properties	(772,265)	(350,613)
Acquisition of real estate held for improvement	-	(21,665)
Capital expenditures related to real estate held for improvement	(2,600)	(305)
Issuance of deposits	(70,157)	(12,152)
Release of deposits	13,062	1,058
<i>Net cash used in investing activities</i>	<u>(831,960)</u>	<u>(383,677)</u>
<b>FINANCING ACTIVITIES:</b>		
Net proceeds from advances on credit facilities	203,290	238,575
Repayment of credit facilities	(52,021)	-
Proceeds from mortgages payable	164,625	-
Proceeds from notes payable	12,480	-
Repayment of notes payable	(4,905)	-
Purchase of derivative financial instrument	-	(127)
Payment of deferred financing costs	(7,325)	(2,188)
Capital contributions from Members	577,000	175,990
Distributions paid to Members	(50,506)	(830)
<i>Net cash provided by financing activities</i>	<u>842,638</u>	<u>411,420</u>
<b>Net increase in cash and restricted cash</b>	<b>16,639</b>	<b>31,278</b>
<b>Cash and restricted cash, beginning of period</b>	<b>31,278</b>	<b>-</b>
<b>Cash and restricted cash, end of period</b>	<b><u>\$ 47,917</u></b>	<b><u>\$ 31,278</u></b>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURES:</b>		
Cash paid for interest	\$ 17,184	\$ 1,595
<b>SUPPLEMENTAL NON-CASH ACTIVITIES:</b>		
Real estate investments funded net of credit facility advances	\$ -	\$ 39,875
Deferred financing fees funded net of credit facility advances	\$ -	\$ 563
Derivative financial instrument funded net of credit facility advances	\$ -	\$ 40
Real estate investments contributed by Members	\$ -	\$ 61,424
Real estate investments placed in-service	\$ 32,351	\$ -
Accrued capital expenditures related to real estate investments held for improvement	\$ 6,048	\$ 6,899
Issuances of deposits contributed by Members	\$ -	\$ 13,151
Distributions payable to Members	\$ -	\$ 700

The accompanying notes are an integral part of these consolidated financial statements.

## Fundrise SFR JV 1, LLC

### Notes to Consolidated Financial Statements

#### 1. Formation and Organization

Fundrise SFR JV 1, LLC was formed on January 4, 2021, as a Delaware limited liability company and is governed by a limited liability company agreement (the “Operating Agreement”). The “Company”, “we”, “us”, and “our” collectively refer to Fundrise SFR JV 1, LLC and its consolidated subsidiaries except where the context otherwise requires. The Company is owned 10% by Fundrise Growth eREIT VII, LLC (the “Operating Member”) and 90% by Fundrise Real Estate Interval Fund, LLC (the “Investor Member”) (collectively referred to as the “Members”). The Operating Member serves as the manager of the Company and has responsibility for day-to-day management and operations in accordance with the approved plans and budgets.

Our Members are externally managed by Fundrise Advisors, LLC (the “Manager”), which is an investment adviser registered with the Securities and Exchange Commission (“SEC”), and a wholly-owned subsidiary of Rise Companies Corp. (the “Sponsor”).

The Company was organized primarily to originate, invest in, and manage a diversified portfolio of single family rental real estate investments and other real estate-related assets. The Company may make its investments through majority-owned subsidiaries, some of which may have rights to receive preferred economic returns. The Company substantially commenced operations on January 25, 2021.

#### 2. Summary of Significant Accounting Policies

##### *Basis of Presentation*

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company has no items of other comprehensive income or loss in any period presented.

As a result of the ongoing global COVID-19 outbreak, economic uncertainties persist that could have an adverse impact on economic and market conditions. The global impact of the pandemic has been rapidly evolving and presents material uncertainty and risk with respect to the Company's performance and financial results.

##### *Principles of Consolidation*

We consolidate entities when we own, directly or indirectly, a majority interest in the entity or are otherwise able to control the entity. We consolidate variable interest entities (“VIEs”) in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, *Consolidation*, if we are the primary beneficiary of the VIE as determined by our power to direct the VIE's activities and the obligation to absorb its losses or the right to receive its benefits, which are potentially significant to the VIE. A VIE is broadly defined as an entity with one or more of the following characteristics: (a) the total equity investment at risk is insufficient to finance the entity's activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about the entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests, and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. There were no VIEs as of December 31, 2022 and 2021 or for the year ended December 31, 2022 or the period January 4, 2021 (inception) through December 31, 2021.

All intercompany accounts and transactions have been eliminated in consolidation.

### ***Estimates***

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates.

### ***Cash***

Cash may at times exceed the Federal Deposit Insurance Corporation deposit insurance limit of \$250,000 per institution. The Company mitigates credit risk by placing cash with major financial institutions. To date, the Company has not experienced any losses with respect to cash.

### ***Restricted Cash***

Restricted cash consists of cash balances restricted in use by contractual obligations with third parties. This may include funds escrowed for tenant security deposits, real estate taxes, property insurance, and other escrows required by lenders on certain of our properties to be used for future building renovations or tenant improvements.

### ***Deposits***

During the closing on a real estate investment, we may place a cash deposit on the property being acquired or fund amounts into escrow. These deposits are placed before the closing process of the property is complete. If subsequent to placing the deposit, we acquire the property (the deed is transferred to us), the deposit placed will be credited to the purchase price. If subsequent to placing the deposit, we do not acquire the property (deed is not transferred to us), the deposit will generally be returned to us. The Company may pay a deposit for a property that is ultimately acquired by another fund affiliated with the Manager of our Members. Upon acquisition of the property, the related party fund would reimburse the Company for the full amount of the deposit.

### ***Rental Real Estate Properties and Real Estate Held for Improvement***

Our investments in rental real estate properties and real estate held for improvement may include the acquisition of unimproved land, single family homes, townhomes or condominiums, or multifamily properties that are (i) held as rental properties or (ii) held for redevelopment or are in the process of being renovated.

In accordance with FASB ASC 805, *Business Combinations*, the Company first determines whether the acquisition of a property qualifies as a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the property acquired does not constitute a business, the Company accounts for the transaction as an asset acquisition. The guidance for business combinations states that when substantially all of the fair value of the gross assets to be acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the asset or set of assets is not a business. All property acquisitions to date have been accounted for as asset acquisitions.

Upon acquisition of a property, the Company assesses the fair value of acquired tangible and intangible assets (including land, buildings, site improvements, above- and below-market leases, acquired in-place leases, and other identified intangible assets and assumed liabilities) and allocates the purchase price (including capitalized transaction costs) to the acquired assets and assumed liabilities on a relative fair value basis. The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant. During this process, we also evaluate each investment for purposes of determining whether a property can be immediately rented (presented on the consolidated balance sheets as "Investments in rental real estate properties, net") or will need improvements or redevelopment (presented on the consolidated balance sheets as "Investments in real estate held for improvement").

The amortization of in-place leases is recorded to depreciation and amortization expense on the Company's consolidated statements of operations. In-place lease assets have been reflected within "Other assets, net" in our consolidated balance sheets.

For rental real estate properties, significant improvements are capitalized. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred. We capitalize expenditures that improve or extend the life of a property and for certain furniture and fixtures additions.

For real estate held for improvement, we capitalize the costs of improvement as a component of our investment in each property. These include renovation costs and other capitalized costs associated with activities that are directly related to preparing our properties for their intended use. Other costs may include interest, property taxes, property insurance, and utilities. The capitalization period associated with our improvement activities begins at such time that development activities commence and concludes at the time that a property is available to be rented or sold.

Costs capitalized in connection with rental real estate property acquisitions and improvement activities are depreciated over their estimated useful lives on a straight-line basis. The depreciation period commences upon the cessation of improvement related activities. For those costs capitalized in connection with rental real estate properties acquisitions and improvement activities and those capitalized on an ongoing basis, the useful lives of the assets are as follows:

<b>Description</b>	<b>Depreciable Life</b>
Building and building improvements	30 years
Site improvements	20 years
Furniture and fixtures	9 years
Lease intangibles	Over lease term

We evaluate our real estate properties for impairment when there is an event or change in circumstances that indicates an impaired value. If the carrying amount of the real estate investment is no longer recoverable and exceeds the fair value of such investment, an impairment loss is recognized. The impairment loss is recognized based on the excess of the carrying amount of the asset over its fair value. If the Company determines that an impairment has occurred, the affected assets must be reduced to their fair value. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, no such impairment occurred.

#### ***Deferred Financing Costs***

Deferred financing costs are loan fees, capital markets fees, legal fees and other third-party costs associated with obtaining financing. These costs are amortized over the terms of the respective financing agreements using a method which approximates the effective interest method. Deferred financing costs related to loan advances on the revolving credit facilities and the associated accumulated amortization are recorded within "Other assets, net" on the accompanying consolidated balance sheets. Deferred financing costs related to mortgages payable and the associated accumulated amortization are recorded within "Mortgages payable, net" on the accompanying consolidated balance sheets.

#### ***Income Taxes***

The Company is treated as a pass-through entity for federal income tax purposes and, as such, is not subject to income taxes at the entity level. Rather, the distributive share of all items of income, gain, loss, deduction, or credit are passed through to the Members and reported on their respective tax returns. The Company's federal tax status as a pass-through entity is based on its default classification as a limited liability company with more than one member, that is treated as a partnership. The Company assessed all of the tax positions it intends to take, both routine and those with a greater level of uncertainty, and determined that no unrecognized tax benefits are required to be recorded. There were no investments during the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021 that contained any uncertain tax positions that warrant further discussion herein.

The Company files various federal, state, and local tax returns within the United States. No returns are currently under examination; however, the statute of limitations of the Company's federal tax returns generally remains open three years after the date of filing (state and local tax returns may remain open for an additional year depending upon the jurisdiction).

The Company has one taxable real estate investment trust ("REIT") subsidiary ("TRS"), which was formed with an effective date of October 9, 2021. We had made no provision for U.S. federal income tax purposes prior to the formation of our TRS. As a result of this formation, we will record income tax expense or benefit with respect to our entity that is taxed as a TRS under provisions similar to those applicable to regular corporations and not under the REIT provisions. There was no TRS income or expense activity during the year ended December 31, 2022 or the period January 4, 2021 (inception) through December 31, 2021, and as such no income tax expense was recorded. As of December 31, 2022 and 2021, there are no gross deferred tax assets or liabilities.

## Revenue Recognition

Rental and other property revenues are recorded when due from tenants and recognized monthly as earned. Other property revenue consists primarily of administrative, application, and other transactional fees charged to tenants. Advance receipts of rental revenue are deferred until earned and presented as “Rental security deposits and other liabilities” on the consolidated balance sheets. We will periodically review the collectability of our tenant receivables and record an allowance for doubtful accounts for any estimated probable losses. Leases entered into for the rental of a single-family unit are generally year-to-year, renewable upon consent of both parties on an annual or monthly basis.

## Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update 2016-02 (“ASU 2016-02”), *Leases*, which changes the accounting for leases for both lessors and lessees. The guidance requires lessees to recognize right-of-use assets and lease liabilities for virtually all of their leases, including leases embedded in other contractual arrangements, among other changes. The standard was effective for annual reporting periods beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022. The Company adopted the new standard as of January 1, 2022. The adoption of the new standard did not have a material impact on our consolidated financial statements.

In June 2016, the FASB issued Accounting Standards Update 2016-13 (“ASU 2016-13”), *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments*, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. ASU 2016-13 is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2022, with early adoption permitted. We are currently in the process of evaluating the impact of the adoption of this standard on our consolidated financial statements.

In March 2020, the FASB issued Accounting Standards Update 2020-04 (“ASU 2020-04”), *Reference Rate Reform (“Topic 848”)*, which eases the potential burden in accounting for reference rate reform on financial reporting. The guidance provided optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference the London Inter-Bank Offered Rate (“LIBOR”) or another reference rate expected to be discontinued because of reference rate reform. In December 2022, the FASB issued Accounting Standards Update 2022-06 (“ASU 2022-06”) deferring the sunset date of *Topic 848* from December 31, 2022 to December 31, 2024. These ASUs are now effective for all entities from March 12, 2020 through December 31, 2024. The Company elected certain optional expedients as of January 1, 2022 related to contract modifications, which were accounted for as a continuation of the existing contract and prospectively adjusted effective interest rates of any impacted agreements. We will continue to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

## 3. Investments in Rental Real Estate Properties and Real Estate Held for Improvement

### Rental Real Estate Properties

During the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, the Company acquired 2,377 and 1,574 rental real estate properties, respectively. The following table summarizes the asset acquisition allocation for our investments in rental real estate properties (*amounts in thousands*):

	For the Year Ended December 31, 2022	For the Period January 4, 2021 (Inception) through December 31, 2021
Land	\$ 110,911	\$ 63,739
Building and building improvements	652,097	326,610
Site improvements	52,387	30,887
Furniture, fixtures, and equipment	20,199	11,347
In-place leases	2,839	1,437
<b>Total acquisition cost<sup>(1)</sup></b>	<b>\$ 838,433</b>	<b>\$ 434,020</b>

- (1) Rental real estate properties acquired were funded with cash, contributions paid directly by Members, and mortgages payable. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, total acquisition cost excludes approximately \$1.8 million and \$332,000, respectively, of subsequent improvements to rental real estate properties.

The following table presents the Company's investments in rental real estate properties, net (*amounts in thousands*):

	<b>As of</b>	<b>As of</b>
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Land	\$ 174,650	\$ 63,739
Building and building improvements	980,143	326,929
Site improvements	83,299	30,887
Furniture, fixtures, and equipment	32,218	11,359
<b>Total gross investment in rental real estate properties</b>	<b>\$ 1,270,310</b>	<b>\$ 432,915</b>
Less: Accumulated depreciation	(32,235)	(4,361)
<b>Total investment in rental real estate properties, net</b>	<b>\$ 1,238,075</b>	<b>\$ 428,554</b>

As of December 31, 2022 and 2021, the carrying amount of the rental real estate properties above included cumulative capitalized transaction costs of approximately \$24.4 million and \$8.6 million, respectively, which includes cumulative acquisition fees paid to the Sponsor of approximately \$12.5 million and \$4.2 million, respectively.

For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, the Company recognized approximately \$27.9 million and \$4.4 million, respectively, of depreciation expense on rental real estate properties.

#### ***Real Estate Held for Improvement***

The following table presents the Company's investments in real estate held for improvement (*amounts in thousands*):

	<b>As of</b>	<b>As of</b>
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Land and land improvements	\$ 14,820	\$ 39,848
Building and building improvements	5,609	6,639
Work in progress	2,786	434
<b>Total investment in real estate held for improvement</b>	<b>\$ 23,215</b>	<b>\$ 46,921</b>

As of December 31, 2022 and 2021, real estate held for improvement included capitalized transaction costs of approximately \$2.4 million and \$3.0 million, respectively, which includes cumulative acquisition fees paid to the Sponsor of approximately \$142,000 and \$438,000, respectively.

During the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, the Company reclassified approximately \$32.4 million and \$0, respectively, of assets from "Investment in real estate held for improvement" to "Investment in rental real estate properties, net".



#### 4. Other Assets

The balance in other assets, net consists of the following (*dollar amounts in thousands*):

	As of December 31, 2022	As of December 31, 2021
Deferred financing costs, net	\$ 6,025	\$ 3,313
Deferred leasing costs, net	1,714	917
Prepaid expenses	1,447	749
Tenant receivables, net	1,136	637
In-place lease asset, net	992	1,140
Other	749	286
<b>Total other assets, net</b>	<b>\$ 12,063</b>	<b>\$ 7,042</b>

For the year ended December 31, 2022 and the period January 4, 2021 (inception) to December 31, 2021, amortization expense on deferred financing costs was approximately \$2.1 million and \$753,000, respectively, and is included within “Interest expense” in the consolidated statements of operations.

For the year ended December 31, 2022 and the period January 4, 2021 (inception) to December 31, 2021, the Company recognized approximately \$3.0 million and \$297,000, respectively, of amortization expense on in-place lease assets and approximately \$2.5 million and \$579,000, respectively, of amortization expense on deferred leasing costs. Both amounts are included within “Depreciation and amortization” in the consolidated statements of operations.

As of December 31, 2022 and 2021, tenant receivables were recorded net of an allowance for credit losses of approximately \$1.0 million and \$95,000, respectively. For the year ended December 31, 2022 and the period January 4, 2021 (inception) to December 31, 2021, the Company recorded approximately \$1.8 million and \$109,000, respectively, in bad debt expense which is included within “Rental revenue” in the consolidated statements of operations.

#### 5. Credit Facilities

On May 13, 2021, Fundrise SFR Portfolio, LLC (the “SFR 1 Borrower”), an indirect subsidiary of the Company, executed an agreement for a revolving credit facility of up to \$150 million, secured by real property owned by the Borrower’s subsidiaries (the “GS Credit Facility”). The GS Credit Facility was amended on October 12, 2021 to increase the commitment amount to \$225 million, on November 12, 2021 to increase the commitment amount to \$300 million, and on December 20, 2022 to increase the commitment amount to \$400 million. The GS Credit Facility was further amended on March 23, 2022 to revise the benchmark interest rate definition due to the relegation of LIBOR and the transition to the Secured Overnight Financing Rate (“SOFR”). The GS Credit Facility bears interest at the greater of 0.25% or SOFR, plus (i) 2.60% with respect to the portion of the outstanding principal amount up to \$150 million, (ii) 2.35% with respect to the portion of the outstanding principal amount in excess of \$150 million but less than \$300 million, and (iii) 2.95% with respect to the portion of the outstanding principal amount in excess of \$300 million. The GS Credit Facility calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity. The GS Credit Facility matures on November 13, 2023, with one twelve-month extension option, which we intend to exercise upon delivery of written notice 45-90 days before the scheduled maturity date, provided no event of default, financial covenant failure, or cash trap event has occurred and the SFR 1 Borrower has obtained a replacement or an extension of the interest rate cap for the revised term (see Note 8). For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, SFR 1 Borrower incurred interest expense on the outstanding principal of approximately \$12.7 million and \$2.2 million, respectively. As of December 31, 2022 and 2021, approximately \$1.7 million and \$614,000, respectively, of interest was payable on the GS Credit Facility, which is included within “Accounts payable and accrued expenses” on the consolidated balance sheets.

On June 16, 2022, Fundrise SFR Portfolio 3, LLC (the “SFR 3 Borrower”), an indirect subsidiary of the Company, executed an agreement for a revolving credit facility of up to \$240 million, secured by real property owned by the Borrower’s subsidiaries (the “ML Credit Facility”). The ML Credit Facility bears interest at a fixed rate of 4.10%. The ML Credit Facility calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity. The ML Credit Facility matures on June 16, 2027. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, SFR 3 Borrower incurred interest expense on the outstanding principal of approximately \$1.8 million and \$0, respectively. As of December 31, 2022 and 2021, approximately \$451,000 and \$0, respectively, of interest was payable on the ML Credit Facility, which is included within “Accounts payable and accrued expenses” on the consolidated balance sheets.

The following is a summary of the credit facilities secured by the Company's properties as of December 31, 2022 and 2021 (*dollar amounts in thousands*):

<b>Borrower</b>	<b>Commitment Amount</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Balance as of December 31, 2022<sup>(1)</sup></b>	<b>Balance as of December 31, 2021<sup>(1)</sup></b>
Fundrise SFR Portfolio, LLC and Subsidiaries <sup>(2)</sup>	\$ 400,000	11/13/2023	SOFR (0.25% floor) + 2.35 – 2.95%	\$ 297,979	\$ 279,200
Fundrise SFR Portfolio 3, LLC and Subsidiaries	\$ 240,000	06/16/2027	4.10%	\$ 132,490	\$ -

- (1) Excludes net deferred financing costs of approximately \$6.0 million and \$3.3 million as of December 31, 2022 and 2021, respectively. These deferred financing costs, net of accumulated amortization, are included in "Other assets, net" on the consolidated balance sheets.
- (2) The Company intends to exercise the available 12-month extension option on the GS Credit Facility upon original maturity of the instrument, pushing the maturity date to November 2024. The Company believes that the Borrower's operations will meet all extension qualifications, and the Company has adequate resources available for payment of extension fees.

For the periods ending December 31, 2022 and January 4, 2021 (inception) through December 31, 2021, we incurred loan servicing fees of approximately \$726,000 and \$471,000, respectively, which is included within "Interest expense" in the consolidated statements of operations.

Both credit facilities contain various financial and non-financial covenants. Included in these covenants are general liquidity and net worth requirements for the Company and its Members. As of December 31, 2022, the Company was in compliance with all financial covenants per the agreements.

The following table presents the future principal payments due under the Company's credit facilities as of December 31, 2022 (*dollar amounts in thousands*):

<b>Year</b>	<b>Amount</b>
2023	\$ 297,979
2024	-
2025	-
2026	-
2027 and thereafter	132,490
<b>Total</b>	<b>\$ 430,469</b>

## 6. Mortgages Payable

The following is a summary of the mortgage notes secured by the Company's properties as of December 31, 2022 (*amounts in thousands*). We had no mortgages payable as of or for the period ended December 31, 2021.

Borrower(s)	Loan Amount	Effective Date	Maturity Date	Interest Rate	Balance as of December 31, 2022
FR-Carolina, LLC <sup>(2)(5)</sup>	\$ 11,900	02/10/22	09/05/23	SOFR + 1.85%	\$ 11,900
FR-Cypress, LLC <sup>(2)(5)</sup>	\$ 24,100	03/16/22	10/05/23	SOFR + 2.25%	\$ 24,100
FR-Sunset, LLC <sup>(1)(3)(4)</sup>	\$ 50,000	03/23/22	09/22/23	SOFR + 1.75%	\$ 50,000
FR-Treeline, LLC <sup>(2)(5)</sup>	\$ 24,000	04/21/22	11/05/23	SOFR + 3.3899%	\$ 24,000
FR Rock Ridge, LLC <sup>(1)(6)</sup>					
FR Emerald Lakes, LLC <sup>(1)(6)</sup>					
FR Hickory Street, LLC <sup>(1)(6)</sup>	\$ 60,000	04/29/22	04/29/24	SOFR + 1.35%	\$ 54,625

- (1) The loan was entered into or assumed by a wholly owned subsidiary (each a Borrower) of the Company. Each Borrower is a separate legal entity from its affiliates and therefore the assets and credit of each Borrower are not available to satisfy the debts and other obligations of any affiliates or any other entity. The Operating Member is the guarantor, under certain circumstances outlined in the loan agreements, of each of the loans.
- (2) The loan calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity, with one option to extend for an additional six-month period. The Company intends to exercise the extension option, which may require a principal paydown to meet certain loan requirements.
- (3) The Company intends to obtain alternative financing or exercise available extension options in advance of certain of the forthcoming mortgage loan maturity dates.
- (4) The loan calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity, with no options to extend. The Borrower of the loan failed a debt yield covenant for the reporting period ended December 31, 2022. In February 2023, the Company entered into discussions with the lender to amend the existing loan agreement and reached verbal agreement on terms that would extend the debt maturity six months to March 2024 and amend the debt yield covenant requirement in exchange for a \$5 million principal paydown of the loan and payment of an extension fee of \$67,500. Please refer to the Subsequent Events disclosures for further information.
- (5) FR-Carolina, LLC, FR-Cypress, LLC, and FR-Treeline, LLC are cross-collateralized debt obligations through a subordinate mortgage arrangement with the lender. The Operating Member is the guarantor, under certain circumstances outlined in the loan agreements, of each of the loans.
- (6) The loan calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity, with one option to extend for an additional six-month period.

For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, the Borrowers on the above mortgages payable incurred interest expense of approximately \$5.0 million and \$0, respectively, related to mortgage notes payable. Approximately \$835,000 and \$0 of current interest was payable to the lenders as of December 31, 2022 and 2021, respectively, which is included within "Accounts payable and accrued expenses" on the consolidated balance sheets.

During the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, we incurred approximately \$2.5 million and \$0, respectively, in financing costs to originate the mortgage notes listed above. Amortized financing costs are reflected on the consolidated balance sheets as a reduction to the related mortgage payable, which totaled approximately \$1.5 million and \$0 as of December 31, 2022 and 2021, respectively. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, amortization of financing costs was approximately \$1.0 million and \$0, respectively, and is included in "Interest expense" in the consolidated statements of operations.

The mortgage notes contain various financial and non-financial covenants. Included in these covenants are general liquidity, net worth, and contingent liability requirements for the Company and its Members. As of December 31, 2022, management calculated a debt yield ratio below the lender specified threshold for the FR-Sunset, LLC mortgage note. In February 2023, the Company entered into discussions with the lender to amend the existing loan agreement and reached verbal agreement on terms that would extend the debt maturity six months to March 2024 and amend the debt yield covenant requirement in exchange for a \$5 million principal paydown of the loan and payment of an extension fee of \$67,500. The Company and its Members were in compliance with all other financial and non-financial covenants per the mortgage notes.

The following table presents the future principal payments due under the Company's mortgage notes as of December 31, 2022 (*dollar amounts in thousands*):

Year	Amount
2023	\$ 110,000
2024	54,625
2025	-
2026	-
2027 and thereafter	-
<b>Total</b>	<b>\$ 164,625</b>

## 7. Notes Payable

During the year ended December 31, 2022, the Company entered into approximately \$12.5 million of unsecured promissory notes with individual accredited investors through our Sponsor. The promissory notes were issued with a duration of three- or twelve months and bear interest at a rate of 3 – 5%. On August 11, 2022, the Company fully repaid the three-month notes in the amount of approximately \$4.9 million, including approximately \$37,000 of accrued interest. As of December 31, 2022, approximately \$7.6 million of principal and \$243,000 of accrued interest remained payable to investors, which are included within “Notes payable” on the consolidated balance sheets. These outstanding promissory notes have a maturity date of May 11, 2023. For the year ended December 31, 2022, the Company incurred interest expense of approximately \$281,000.

The Company did not enter into any notes payable as of or for the period ended December 31, 2021.

## 8. Derivative Financial Instruments

Effective May 18, 2021, we entered into an interest rate cap agreement for \$70,000 with a notional amount of \$150 million and a strike rate of 2.0% to manage our exposure to interest rate risk on our variable rate debt associated with the GS Credit Facility (see Note 5). The interest rate cap agreement was amended on October 25, 2021 and further amended on December 7, 2021 in connection with the amendments of the GS Credit Facility, resulting in an increase to the notional amount to \$225 million and \$300 million, respectively, and corresponding additional premium payments of \$40,000 and \$57,000, respectively. The interest rate cap is not for trading or other speculative purposes. The interest rate cap agreement matures on May 18, 2023.

The Company has not designated the interest rate cap as a cash flow hedge; therefore, the derivative does not qualify for hedge accounting. Accordingly, changes in the fair value of the interest rate cap are recognized immediately through earnings. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, we recognized an increase (decrease) in the fair value of the interest rate cap of approximately \$3.2 million and \$(18,000), respectively, recorded as “Increase (decrease) in fair value of derivative financial instrument” in our consolidated statements of operations. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, we recognized income of approximately \$1.5 million and \$0, respectively, related to the interest rate cap, which is recorded as a reduction to “Interest expense” in our consolidated statements of operations. As of December 31, 2022 and 2021, approximately \$245,000 and \$0, respectively, of interest rate cap income was payable to the Company and was recorded as a reduction to the related accrued interest payable.

The fair value of our derivative is estimated based on observable market inputs, such as interest rates, term to maturity and volatility, as well as unobservable inputs, such as estimates of current credit spreads. The fair value of our derivative as of December 31, 2022 and 2021 is shown below (*dollar amounts in thousands*):

<b>Derivative Instrument</b>	<b>Notional Amount</b>	<b>Effective Date</b>	<b>Maturity Date</b>	<b>Fair Value as of December 31, 2022</b>	<b>Fair Value as of December 31, 2021</b>
Interest Rate Cap	\$ 300,000	05/18/2021	05/18/2023	\$ 3,339	\$ 149

## 9. Fair Value of Financial Instruments

We are required to disclose an estimate of fair value of our financial instruments for which it is practicable to estimate the value. The fair value of a financial instrument is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. For certain of our financial instruments, fair values are not readily available since there are no active trading markets as characterized by current exchanges by market participants.

We determine the fair value of certain investments in accordance with the fair value hierarchy that requires an entity to maximize the use of observable inputs. The fair value hierarchy includes the following three levels based on the objectivity of the inputs, which were used for categorizing the assets or liabilities for which fair value is being measured and reported:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs).

Level 3 – Valuation generated from model-based techniques that use inputs that are significant and unobservable in the market. These unobservable assumptions reflect estimates of inputs that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow methodologies or similar techniques, which incorporate management's own estimates of assumptions that market participants would use in pricing the instrument or valuations that require significant management judgment or estimation.

As of December 31, 2022 and 2021, the Company's significant financial instruments consist of cash, restricted cash, a derivative financial instrument, and the outstanding principal on the credit facilities and mortgages payable.

The carrying amount of the Company's cash and restricted cash as of December 31, 2022 and 2021 approximates fair value due to its short-term nature.

The only asset or liability as of December 31, 2022 and 2021 that is recorded at fair value on a recurring basis is the derivative financial instrument. As of December 31, 2022 and 2021, management estimated the fair value of our derivative financial instrument to be approximately \$3.3 million and \$149,000, respectively. We classify this fair value measurement as Level 2 as we use significant other observable inputs such as interest rate, term to maturity, and volatility.

As of December 31, 2022 and 2021, the outstanding principal carrying value for our credit facilities was approximately \$430.5 million and \$279.2 million, respectively, and the aggregate fair value approximated the carrying value. Similarly, as of December 31, 2022 and 2021, the outstanding principal carrying value for our mortgages payable was approximately \$164.6 million and \$0, respectively, and the aggregate fair value approximated the carrying value. The fair value of our borrowings under variable rate agreements are estimated using a present value technique based on expected cash flows discounted using the current market rates (Level 3).

Any changes to the valuation methodology will be reviewed by management to ensure the changes are appropriate. The methods used may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, while we anticipate that our valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value could result in a different estimate of fair value at the reporting date.

## **10. Members' Equity**

Capital contributions are required from the Members on a pro rata basis as defined in the Operating Agreement. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, capital contributions totaled approximately \$577.0 million and \$250.6 million respectively.

Distributions shall be made to the Members in proportion to their respective ownership percentages. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, the Company's total distributions declared to Members was approximately \$49.8 million and \$1.5 million respectively. Approximately \$0 and \$700,000 of distributions were payable as of December 31, 2022 and 2021, respectively.

The Company's net income or loss is allocated to the Operating Member and Investor Member pro rata in proportion to their respective ownership percentages.

## 11. Property Management Agreements

In connection with our investments in rental real estate properties, the Company entered into property management agreements with two different third-party service providers to lease and manage the underlying assets. The agreement with one property management company was executed in 2021 and is effective for an initial three-year term, at which time it shall terminate unless extended by mutual agreement. Agreements made with the other property management company were each executed for an initial one-year term, which shall be automatically extended for successive periods of one year. These agreements may be terminated without cause by either party upon delivery of at least 30-60 days' prior written notice.

Property management fees for these agreements are calculated as a percentage of gross rental receipts and certain fees collected from tenants, subject to a minimum management fee as defined in the property management agreements. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, the Company incurred property management fees of approximately \$3.7 million and \$750,000, respectively, which are included in "Property operations and maintenance" expense on the accompanying consolidated statements of operations. Approximately \$707,000 and \$282,000 of property management fees were payable as of December 31, 2022 and 2021, respectively.

## 12. Related Party Transactions

### *Operating Expenses*

Under the terms of the Operating Agreement, the Company shall pay or reimburse the Operating Member and its affiliates for expenses incurred on our behalf that are directly related to the operation, maintenance, and administration of the Company. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, the Operating Member and its affiliates incurred approximately \$39,000 and \$3.2 million, respectively, of reimbursable operating costs on our behalf. Approximately \$0 and \$319,000 of such costs were payable as of December 31, 2022 and 2021, respectively.

### *Acquisition Fees*

We typically pay the Sponsor a one-time acquisition fee equal to approximately 1.0% of the purchase price of each real estate investment acquired. Acquisition fees are capitalized in accordance with our accounting policies (see Note 2). For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, total acquisition fees earned by the Sponsor were approximately \$12.5 million and \$4.6 million, respectively. Approximately \$65,000 and \$27,000 in acquisition fees were payable as of December 31, 2022 and 2021, respectively.

### *Affiliate Service Agreement*

Effective January 1, 2022, the Company entered into a real estate services agreement (the "Service Agreement") with Fundrise Real Estate, LLC, a subsidiary of the Sponsor. The Service Agreement outlines various services Fundrise Real Estate, LLC agrees to perform as an independent contractor on a non-exclusive basis, including but not limited to real estate asset management, origination and acquisition services, loan servicing, and development and entitlement services. Compensation for such services will be paid to Fundrise Real Estate, LLC as described in the Service Agreement. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, the Company incurred real estate asset management fees of approximately \$5.1 million and \$0, respectively, and debt servicing fees of approximately \$698,000 and \$0, respectively, which are both included in "Asset management and other fees" on the accompanying consolidated statements of operations. In addition, for the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, the Company incurred origination fees related to the closing of the credit facilities and mortgages payable of approximately \$2.6 million and \$0, respectively, which are recorded as deferred financing costs and are to be amortized over the term of the respective loans. For the year ended December 31, 2022 and the period January 4, 2021 (inception) through December 31, 2021, amortization expense of approximately \$495,000 and \$0, respectively, was recorded related to these fees and is included in "Interest expense" on the consolidated statements of operations. As of December 31, 2022 and 2021, approximately \$1.1 million and \$0, respectively, in fees were payable to Fundrise Real Estate, LLC.

### **13. Commitments and Contingencies**

#### *Litigation*

In the ordinary course of business, we may become subject to litigation or claims. As of December 31, 2022 and 2021, there were no material pending legal proceedings to which the Company is a party.

### **14. Subsequent Events**

In connection with the preparation of the accompanying consolidated financial statements, we have evaluated events and transactions occurring through February 25, 2023 for potential recognition or disclosure.

#### *Investments*

As of February 25, 2023, the Company has invested an additional approximately \$10.5 million in rental real estate properties and real estate held for improvement.

#### *Derivative Financial Instrument*

Effective January 9, 2023, we terminated the existing interest rate cap agreement with a notional amount of \$300 million associated with the GS Credit Facility. Concurrently, the Company entered into a new interest rate cap agreement for \$6.2 million with a notional amount of \$400 million and a strike rate of 2.0%. The revised agreement matures on November 13, 2023. No gain or loss was recognized in connection with this transaction.

#### *Credit Facilities*

On January 24, 2023, the Company received an additional \$23.3 million advance from the ML Credit Facility, bringing the total outstanding principal balance to \$155.8 million as of February 25, 2023.

#### *Mortgages Payable*

On February 8, 2023, the Company repaid \$5.0 million in principal on the FR-Sunset, LLC loan, bringing the total outstanding principal balance to \$45.0 million as of February 25, 2023.

#### *Contributions*

As of February 25, 2023, the Company has received an additional \$7.0 million in capital contributed by its Members.

Supplemental Schedules

Consolidating Balance Sheets

(Amounts in thousands)

	Fundrise SFR JV 1, LLC	Fundrise SFR TRS 1, LLC	Fundrise SFR Portfolio, LLC	Fundrise SFR Portfolio 2, LLC	Fundrise SFR Portfolio 3, LLC	Eliminations	Fundrise SFR JV 1, LLC Consolidated
	As of December 31, 2022	As of December 31, 2022	As of December 31, 2022	As of December 31, 2022	As of December 31, 2022	As of December 31, 2022	As of December 31, 2022
<b>ASSETS</b>							
Cash	\$ 11,386	\$ -	\$ 6,315	\$ 2,680	\$ 2,447	\$ -	\$ 22,828
Restricted cash	-	-	14,496	3,464	7,129	-	25,089
Other assets, net	889,095	-	106,970	56,897	133,779	(1,174,678)	12,063
Deposits	45,722	-	-	-	-	-	45,722
Derivative financial instrument	-	-	3,339	-	-	-	3,339
Investments in rental real estate properties, net	-	-	653,864	323,188	261,018	5	1,238,075
Investments in real estate held for improvement	-	-	23,215	-	-	-	23,215
<b>Total Assets</b>	<b>\$ 946,203</b>	<b>\$ -</b>	<b>\$ 808,199</b>	<b>\$ 386,229</b>	<b>\$ 404,373</b>	<b>\$ (1,174,673)</b>	<b>\$ 1,370,331</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>							
Liabilities:							
Accounts payable and accrued expenses	\$ 356	\$ 26	\$ 16,044	\$ 1,771	\$ 1,950	\$ 646	\$ 20,793
Due to related parties	171,675	-	501,999	229,516	273,437	(1,175,319)	1,308
Distributions payable	-	-	-	-	-	-	-
Rental security deposits and other liabilities	-	-	5,644	1,103	720	-	7,467
Notes payable	7,818	-	-	-	-	-	7,818
Mortgages payable, net	(475)	-	-	163,636	-	-	163,161
Credit facilities	-	-	297,979	-	132,490	-	430,469
<b>Total Liabilities</b>	<b>179,374</b>	<b>26</b>	<b>821,667</b>	<b>396,026</b>	<b>408,597</b>	<b>(1,174,673)</b>	<b>631,016</b>
<b>Total Members' Equity</b>	<b>766,829</b>	<b>(26)</b>	<b>(13,467)</b>	<b>(9,797)</b>	<b>(4,224)</b>	<b>-</b>	<b>739,315</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 946,203</b>	<b>\$ -</b>	<b>\$ 808,199</b>	<b>\$ 386,229</b>	<b>\$ 404,373</b>	<b>\$ (1,174,673)</b>	<b>\$ 1,370,331</b>



Supplemental Schedules (continued)

**Consolidating Statements of Operations**  
(Amounts in thousands)

	Fundrise SFR JV 1, LLC	Fundrise SFR TRS 1, LLC	Fundrise SFR Portfolio, LLC	Fundrise SFR Portfolio 2, LLC	Fundrise SFR Portfolio 3, LLC	Eliminations	Fundrise SFR JV 1, LLC Consolidated
	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022
<b>Revenue</b>							
Rental revenue	\$ 10	\$ -	\$ 36,310	\$ 12,811	\$ 4,480	\$ -	\$ 53,611
Other revenue	283	-	4,910	1,077	309	-	6,579
<b>Total Revenue</b>	<b>293</b>	<b>-</b>	<b>41,220</b>	<b>13,888</b>	<b>4,789</b>	<b>-</b>	<b>60,190</b>
<b>Expenses</b>							
Depreciation and amortization	-	-	18,691	10,991	3,634	-	33,316
Property operations and maintenance	16	-	22,470	6,629	3,049	-	32,164
Asset management and other fees	5,780	-	-	-	-	-	5,780
General and administrative expenses	3,017	26	530	22	52	-	3,647
<b>Total Expenses</b>	<b>8,813</b>	<b>26</b>	<b>41,691</b>	<b>17,642</b>	<b>6,735</b>	<b>-</b>	<b>74,907</b>
<b>Other Income (Expense)</b>							
Interest Expense	(776)	-	(13,371)	(5,637)	(2,386)	-	(22,170)
Increase in fair value of derivative financial instrument	-	-	3,190	-	-	-	3,190
<b>Total Other Expenses</b>	<b>(776)</b>	<b>-</b>	<b>(10,181)</b>	<b>(5,637)</b>	<b>(2,386)</b>	<b>-</b>	<b>(18,980)</b>
<b>Net Loss</b>	<b>\$ (9,296)</b>	<b>\$ (26)</b>	<b>\$ (10,652)</b>	<b>\$ (9,391)</b>	<b>\$ (4,332)</b>	<b>\$ -</b>	<b>\$ (33,697)</b>



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**Fundrise MF JV 1, LLC**

Delaware  
(State or other jurisdiction of  
incorporation or organization)

86-1581070  
(I.R.S. Employer  
Identification Number)

**Consolidated Financial Statements and Supplemental Schedules  
As of and for the Year Ended December 31, 2022**

For questions contact:  
Telephone: (202) 584-0550  
Email: [investments@fundrise.com](mailto:investments@fundrise.com)

11 Dupont Circle NW, 9<sup>th</sup> Floor  
Washington, D.C. 20036  
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Fundrise MF JV 1, LLC

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KPMG LLP  
Suite 900  
8350 Broad Street  
McLean, VA 22102

### **Independent Auditors' Report**

To the Members  
Fundrise MF JV 1, LLC:

#### *Opinion*

We have audited the consolidated financial statements of Fundrise MF JV 1, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, members' equity, and cash flows for the year ended December 31, 2022 and for the period from January 20, 2021 (Inception) to December 31, 2021, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the year ended December 31, 2022 and for the period from January 20, 2021 (Inception) to December 31, 2021 in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Other Information*

Management is responsible for the other information attached to the consolidated financial statements. The other information comprises balance sheets as of December 31, 2022 for each of the Company's subsidiaries and related statements of operations for the year then ended, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

KPMG LLP

McLean, Virginia  
February 25, 2023

**Fundrise MF JV 1, LLC**

**Consolidated Balance Sheets**  
(Amounts in thousands)

	<b>As of December 31, 2022</b>	<b>As of December 31, 2021</b>
<b>ASSETS</b>		
Cash	\$ 17,433	\$ 29,332
Restricted cash	1,906	2,715
Other assets, net	5,038	3,289
Derivative financial instrument	1,266	111
Investments in real estate held for improvement	6,123	5,152
Investments in rental real estate properties, net	559,484	440,103
<b>Total Assets</b>	<b>\$ 591,250</b>	<b>\$ 480,702</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,859	\$ 2,631
Due to related parties	301	147
Distributions payable	929	1,116
Rental security deposits and other liabilities	1,207	842
Mortgages payable, net	161,238	263,181
Credit facility	165,318	-
<b>Total Liabilities</b>	<b>335,852</b>	<b>267,917</b>
<b>Total Members' Equity</b>	<b>255,398</b>	<b>212,785</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 591,250</b>	<b>\$ 480,702</b>

The accompanying notes are an integral part of these consolidated financial statements.

Fundrise MF JV 1, LLC

Consolidated Statements of Operations

(Amounts in thousands)

	For the Year Ended December 31, 2022	For the Period January 20, 2021 (Inception) through December 31, 2021
<b>Revenue</b>		
Rental revenue	\$ 39,767	\$ 17,221
Other property revenue	3,948	1,598
Other revenue	67	-
<b>Total Revenue</b>	<b>43,782</b>	<b>18,819</b>
<b>Expenses</b>		
Property operations and maintenance	21,571	8,025
Depreciation and amortization	20,252	12,244
Asset management and other fees	3,577	-
General and administrative expenses	230	386
<b>Total Expenses</b>	<b>45,630</b>	<b>20,655</b>
<b>Other Income (Expense)</b>		
Interest expense	(11,810)	(2,728)
Increase (decrease) in fair value of derivative financial instrument	1,141	(29)
<b>Total Other Expenses</b>	<b>(10,669)</b>	<b>(2,757)</b>
<b>Net Loss</b>	<b>\$ (12,517)</b>	<b>\$ (4,593)</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Fundrise MF JV 1, LLC**

**Consolidated Statements of Members' Equity**  
(Amounts in thousands)

	<u>Operating Member</u>	<u>Investor Member</u>	<u>Total Members' Equity</u>
<b>January 20, 2021 (Inception)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Contributions	22,204	199,840	222,044
Distributions	(467)	(4,199)	(4,666)
Net loss	(459)	(4,134)	(4,593)
<b>December 31, 2021</b>	<b>\$ 21,278</b>	<b>\$ 191,507</b>	<b>\$ 212,785</b>
Contributions	17,261	155,339	172,600
Distributions	(11,747)	(105,723)	(117,470)
Net loss	(1,252)	(11,265)	(12,517)
<b>December 31, 2022</b>	<b>\$ 25,540</b>	<b>\$ 229,858</b>	<b>\$ 255,398</b>

The accompanying notes are an integral part of these consolidated financial statements.



Fundrise MF JV 1, LLC

Consolidated Statements of Cash Flows  
(Amounts in thousands)

	For the Year Ended December 31, 2022	For the Period January 20, 2021 (Inception) through December 31, 2021
<b>OPERATING ACTIVITIES:</b>		
Net loss	\$ (12,517)	\$ (4,593)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	20,252	12,244
Amortization of deferred financing costs	1,829	525
Bad debt expense	547	164
(Increase) decrease in fair value of derivative financial instrument	(1,141)	29
Changes in assets and liabilities:		
Net increase in other assets, net	(554)	(2,287)
Net increase in accounts payable and accrued expenses	4,228	2,631
Net increase in due to related party	154	147
Net increase in rental security deposits and other liabilities	367	842
<i>Net cash provided by operating activities</i>	<u>13,165</u>	<u>9,702</u>
<b>INVESTING ACTIVITIES:</b>		
Investment in rental real estate properties	(138,438)	(385,856)
Investment in real estate held for improvement	(971)	(5,152)
<i>Net cash used in investing activities</i>	<u>(139,409)</u>	<u>(391,008)</u>
<b>FINANCING ACTIVITIES:</b>		
Capital contributions from Members	172,600	154,387
Repayment of mortgages payable	(173,837)	(47,850)
Proceeds from mortgages payable	71,750	312,188
Payment of deferred financing fees	(4,638)	(1,682)
Proceeds from credit facility	271,318	-
Repayment of credit facility	(106,000)	-
Purchase of derivative financial instrument	-	(140)
Distributions paid to Members	(117,657)	(3,550)
<i>Net cash provided by financing activities</i>	<u>113,536</u>	<u>413,353</u>
<b>Net (decrease) increase in cash and restricted cash</b>	<b>(12,708)</b>	<b>32,047</b>
<b>Cash and restricted cash, beginning of period</b>	<b>32,047</b>	<b>-</b>
<b>Cash and restricted cash, end of period</b>	<b>\$ 19,339</b>	<b>\$ 32,047</b>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURES:</b>		
Cash paid for interest	\$ 9,175	\$ 1,884
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Distributions payable to Members	\$ 929	\$ 1,116
Real estate investments contributed by Members	\$ -	\$ 67,657

The accompanying notes are an integral part of these consolidated financial statements.

## Fundrise MF JV 1, LLC

### Notes to the Consolidated Financial Statements

#### 1. Formation and Organization

Fundrise MF JV 1, LLC was formed on January 20, 2021, as a Delaware limited liability company and is governed by a limited liability company operating agreement (the “Operating Agreement”). The “Company”, “we”, “us”, and “our” collectively refer to Fundrise MF JV 1, LLC and its consolidated subsidiaries except where the context otherwise requires. The Company is owned 10% by Fundrise Balanced eREIT II, LLC (the “Operating Member”) and 90% by Fundrise Real Estate Interval Fund, LLC (the “Investor Member”) (collectively referred to as “the Members”). The Operating Member serves as the manager of the Company and has responsibility for day-to-day management and operations in accordance with the approved plans and budgets.

Our Members are externally managed by Fundrise Advisors, LLC (the “Manager”), which is an investment adviser registered with the Securities and Exchange Commission (“SEC”), and a wholly-owned subsidiary of Rise Companies Corp. (the “Sponsor”).

The Company was organized primarily to originate, invest in and manage a diversified portfolio of residential real estate properties. The Company substantially commenced operations on March 5, 2021 with the acquisition of FRMF-GTOWN-OPS, LLC, a stabilized garden style multifamily property totaling 270 units in Georgetown, TX. The Company has acquired an additional eight residential properties and one parcel of entitled land as of December 31, 2022.

#### 2. Summary of Significant Accounting Policies

##### *Basis of Presentation*

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company has no items of other comprehensive income or loss in any period presented.

As a result of the ongoing global COVID-19 outbreak, economic uncertainties persist that could have an adverse impact on economic and market conditions. The global impact of the pandemic has been rapidly evolving and presents material uncertainty and risk with respect to the Company's performance and financial results.

##### *Principles of Consolidation*

We consolidate entities when we own, directly or indirectly, a majority interest in the entity or are otherwise able to control the entity. We consolidate variable interest entities (“VIEs”) in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, *Consolidation*, if we are the primary beneficiary of the VIE as determined by our power to direct the VIE's activities and the obligation to absorb its losses or the right to receive its benefits, which are potentially significant to the VIE. A VIE is broadly defined as an entity with one or more of the following characteristics: (a) the total equity investment at risk is insufficient to finance the entity's activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about the entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests, and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. There were no VIEs as of December 31, 2022 and 2021 or for the year ended December 31, 2022 or the period from January 20, 2021 (Inception) to December 31, 2021.

All intercompany accounts and transactions have been eliminated in consolidation.

### ***Estimates***

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates.

### ***Cash***

Cash may at times exceed the Federal Deposit Insurance Corporation deposit insurance limit of \$250,000 per institution. The Company mitigates credit risk by placing cash with major financial institutions. To date, the Company has not experienced any losses with respect to cash.

### ***Restricted Cash***

Restricted cash consists of cash balances restricted in use by contractual obligations with third parties. This may include funds escrowed for tenant security deposits, real estate taxes, property insurance, and mortgage escrows required by lenders on certain of our properties to be used for future building renovations or tenant improvements.

### ***Rental Real Estate Properties and Real Estate Held for Improvement***

Our investments in rental real estate properties and real estate held for improvement may include the acquisition of unimproved land, townhomes, or multifamily properties that are (i) held as rental properties or (ii) held for redevelopment or are in the process of being renovated.

In accordance with FASB ASC 805, *Business Combinations*, the Company first determines whether the acquisition of a property qualifies as a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the property acquired does not constitute a business, the Company accounts for the transaction as an asset acquisition. The guidance for business combinations states that when substantially all of the fair value of the gross assets to be acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the asset or set of assets is not a business. All property acquisitions to date have been accounted for as asset acquisitions.

Upon acquisition of a property, the Company assesses the fair value of acquired tangible and intangible assets (including land, buildings, site improvements, acquired in-place leases, and other identified intangible assets and assumed liabilities) and allocates the purchase price (including capitalized transaction costs) to the acquired assets and assumed liabilities on a relative fair value basis. The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant. During this process, we also evaluate each investment for purposes of determining whether a property can be immediately rented (presented on the consolidated balance sheets as "Investments in rental real estate properties, net") or will need improvements or redevelopment (presented on the consolidated balance sheets as "Investments in real estate held for improvement").

The amortization of in-place leases is recorded to depreciation and amortization expense on the Company's consolidated statements of operations. We consider qualitative and quantitative factors in evaluating the likelihood of a tenant exercising a below-market renewal option and include such renewal options in the calculation of in-place lease value when we consider these to be bargain renewal options.

For rental real estate properties, significant improvements are capitalized. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred. We capitalize expenditures that improve or extend the life of a property and for certain furniture and fixtures additions.

For real estate held for improvement, we capitalize the costs of improvements as a component of our investment in each property. These include renovation costs and other capitalized costs associated with activities that are directly related to preparing our properties for their intended use. Other costs may include interest, property taxes, property insurance, and utilities. The capitalization period associated with our improvement activities begins at such time that development activities commence and concludes at the time that a property is available to be rented or sold.

Costs capitalized in connection with rental real estate property acquisitions and improvement activities are depreciated over their estimated useful lives on a straight-line basis. The depreciation period commences upon the cessation of improvement related activities. For those costs capitalized in connection with rental real estate properties acquisitions and improvement activities and those capitalized on an ongoing basis, the useful lives of the assets are as follows:

<b>Description</b>	<b>Depreciable Life</b>
Building	25 – 35 years
Building improvements	15 – 30 years
Site improvements	10 – 20 years
Furniture and fixtures	5 – 9 years
Lease intangibles	Over lease term

We evaluate our real estate properties for impairment when there is an event or change in circumstances that indicates an impaired value. If the carrying amount of the real estate investment is no longer recoverable and exceeds the fair value of such investment, an impairment loss is recognized. The impairment loss is recognized based on the excess of the carrying amount of the asset over its fair value. If the Company determines that an impairment has occurred, the affected assets must be reduced to their fair value. For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, no such impairment occurred.

#### ***Deferred Financing Costs***

Deferred financing costs are loan fees, capital markets fees, legal fees and other third-party costs associated with obtaining financing. These costs are amortized over the terms of the respective financing agreements using a method which approximates the effective interest method. Deferred financing costs related to mortgage notes payable are recorded as reduction of the related debt on the accompanying consolidated balance sheets. Deferred financing costs related to loan advances on the Credit Facility, as defined in Note 5, are recorded within “Other assets, net” on the accompanying consolidated balance sheets. The amortization of deferred financing costs is recorded within “Interest expense” on the accompanying consolidated statements of operations.

#### ***Income Taxes***

The Company is treated as a pass-through entity for federal income tax purposes and, as such, is not subject to income taxes at the entity level. Rather, the distributive share of all items of income, gain, loss, deduction, or credit are passed through to the Members and reported on their respective tax returns. The Company’s federal tax status as a pass-through entity is based on its default classification as a limited liability company with more than one member, that is treated as a partnership. The Company assessed all of the tax positions it intends to take, both routine and those with a greater level of uncertainty, and determined that no unrecognized tax benefits are required to be recorded. There were no investments during the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021 that contained any uncertain tax positions that warrant further discussion herein.

The Company has one taxable real estate investment trust (“REIT”) subsidiary (“TRS”), which was formed with an effective date of April 1, 2022. As a result of this formation, we will record income tax expense or benefit with respect to our entity that is taxed as a TRS under provisions similar to those applicable to regular corporations and not under the REIT provisions. There was no material TRS income or expense activity during the period ended December 31, 2022, and as such no income tax expense was recorded. As of December 31, 2022, there are no gross deferred tax assets or liabilities.

The Company files various federal, state, and local tax returns within the United States. No returns are currently under examination; however, the statute of limitations of the Company’s federal tax returns generally remains open three years after the date of filing (state and local tax returns may remain open for an additional year depending upon the jurisdiction).

### Revenue Recognition

Rental and other property revenues are recorded when due from tenants and recognized monthly as earned. Other property revenue consists primarily of administrative, application, and other transactional fees charged to tenants. Advance receipts of rental revenue are deferred until earned and presented as “Rental security deposits and other liabilities” on the consolidated balance sheets. We will periodically review the collectability of our tenant receivables and record an allowance for doubtful accounts for any estimated probable losses. Leases entered into for the rental of an apartment unit or townhome are generally year-to-year, renewable upon consent of both parties on an annual or monthly basis.

### Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update 2016-02 (“ASU 2016-02”), *Leases*, which changes the accounting for leases for both lessors and lessees. The guidance requires lessees to recognize right-of-use assets and lease liabilities for virtually all of their leases, including leases embedded in other contractual arrangements, among other changes. The standard was effective for annual reporting periods beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022. The Company adopted the new standard as of January 1, 2022. The adoption of the new standard did not have a material impact on our consolidated financial statements.

In June 2016, the FASB issued Accounting Standards Update 2016-13 (“ASU 2016-13”), *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments*, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. ASU 2016-13 is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2022, with early adoption permitted. We are currently in the process of evaluating the impact of the adoption of this standard on our consolidated financial statements.

In March 2020, the FASB issued Accounting Standards Update 2020-04 (“ASU 2020-04”), *Reference Rate Reform (“Topic 848”)*, which eases the potential burden in accounting for reference rate reform on financial reporting. The guidance provided optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. In December 2022, the FASB issued Accounting Standards Update 2022-06 (“ASU 2022-06”) deferring the sunset date of *Topic 848* from December 31, 2022, to December 31, 2024. These ASUs are now effective for all entities from March 12, 2020 through December 31, 2024. The Company elected certain optional expedients as of January 1, 2022, related to contract modifications which were accounted for as a continuation of the existing contract and prospectively adjusted effective interest rates of any impacted agreements. We will continue to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

### 3. Investments in Rental Real Estate Properties and Real Estate Held for Improvement

#### Rental Real Estate Properties

For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, the Company acquired two and seven rental real estate properties, respectively. The following table summarizes the asset acquisition allocation for our investments in rental real estate properties (*amounts in thousands*):

	For the Year Ended December 31, 2022	For the Period January 20, 2021 (inception) through December 31, 2021
Land and land improvements	\$ 38,713	\$ 52,898
Building and building improvements	93,568	382,429
Furniture, fixtures and equipment	3,876	12,212
In-place leases	1,181	5,660
<b>Total acquisition cost <sup>(1)</sup></b>	<b>\$ 137,338</b>	<b>\$ 453,199</b>

(1) Rental real estate properties acquired were funded with cash, contributions paid directly by Members, and mortgages payable. For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, total acquisition cost excludes approximately \$1.1 million and \$314,000, respectively, of subsequent improvements in rental real estate properties.

The following table presents the Company's investments in rental real estate properties (*amounts in thousands*):

	As of December 31, 2022	As of December 31, 2021
Land and land improvements	\$ 92,374	\$ 53,108
Building and building improvements	476,588	382,523
Furniture, fixtures and equipment	16,148	12,222
<b>Total gross investment in rental real estate properties</b>	<b>\$ 585,110</b>	<b>\$ 447,853</b>
Less: Accumulated depreciation	(25,626)	(7,750)
<b>Total investment in rental real estate properties, net</b>	<b>\$ 559,484</b>	<b>\$ 440,103</b>

As of December 31, 2022 and 2021, the carrying amount of the rental real estate properties above included cumulative capitalized transaction costs of approximately \$9.2 and \$7.3 million, respectively, which includes cumulative acquisition fees paid to the Sponsor of approximately \$5.8 and \$4.5 million, respectively.

For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, the Company recognized approximately \$17.9 and \$7.8 million, respectively, of depreciation expense on rental real estate properties.

#### ***Real Estate Held for Improvement***

As of December 31, 2022 and 2021, the Company had one real estate property held for improvement. The following table presents the Company's investment in real estate held for improvement (*amounts in thousands*):

	As of December 31, 2022	As of December 31, 2021
Land	\$ 5,128	\$ 5,128
Work in progress	995	24
<b>Total investment in real estate held for improvement</b>	<b>\$ 6,123</b>	<b>\$ 5,152</b>

As of December 31, 2022 and 2021, real estate held for improvement included capitalized transaction costs of approximately \$67,000, which includes cumulative acquisition fees paid to an affiliate of the Members of approximately \$51,000.

#### **4. Other Assets, net**

The balance in other assets, net consists of the following (*amounts in thousands*):

	As of December 31, 2022	As of December 31, 2021
Deferred financing costs, net	\$ 2,910	\$ -
Other prepaid expenses	1,344	1,257
Tenant receivables, net	383	623
Prepaid insurance	288	243
Other	113	-
In-place lease assets, net	-	1,166
<b>Total other assets, net</b>	<b>\$ 5,038</b>	<b>\$ 3,289</b>

As of December 31, 2022 and 2021, total deferred financing costs related to the Credit Facility incurred were approximately \$3.8 million and \$0, respectively. For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, amortization expense on deferred financing costs was approximately \$904,000 and \$0, respectively, and is included in “Interest expense” in the consolidated statements of operations.

As of December 31, 2022 and 2021 tenant receivables were recorded net of an allowance for credit losses of approximately \$74,000 and \$83,000, respectively. For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, the Company recorded approximately \$547,000 and \$164,000, respectively, in bad debt expense and is included as a reduction in “Rental revenue” in the consolidated statements of operations.

For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, amortization of in-place lease assets was approximately \$2.4 and \$4.5 million, respectively, and is included in “Depreciation and amortization” in the consolidated statements of operations. The in-place lease assets were fully amortized as of December 31, 2022.

## **5. Credit Facility**

On March 9, 2022, Fundrise MF Facility 1 Borrower, LLC (the “Borrower LLC”), a subsidiary of the Company, executed an agreement for a revolving credit facility with an initial commitment of \$125.0 million and a maximum commitment capacity available to the Company of up to \$400.0 million, secured by real property owned by the Borrower’s subsidiaries (the “Credit Facility”). The Credit Facility was amended on May 18, 2022 to increase the commitment amount to \$175.0 million. The Credit Facility bears interest at the secured overnight financing rate, or SOFR, with a 0% floor, plus an applicable margin that ranges from 0.75% to 1.75%. During the year ended December 31, 2022, the all-in interest rate ranged from approximately 2.1% to 5.7%. The Credit Facility calls for monthly interest payments for the entire term of the loan. The Credit Facility balance can also be drawn on and repaid with no penalty. The Credit Facility matures on March 9, 2025, with two twelve-month extension options at our discretion subject to meeting certain requirements. For the year ended December 31, 2022, we incurred interest expense of approximately \$3.1 million on the outstanding principal. As of December 31, 2022, approximately \$182,000, of interest was payable to the lender, and is included in “Accounts payable and accrued expenses” in the consolidated balance sheets.

The Credit Facility contains a requirement for monitoring of the Credit Facility’s borrowing base availability. The borrowing base availability is the maximum amount that is allowed to be outstanding on the Credit Facility. As part of the quarterly reporting and as of December 31, 2022, the calculated borrowing base availability fell below the outstanding balance of the Credit Facility by approximately \$7.8 million. When this situation occurs, we are required to make a payment to reduce the Credit Facility balance so that the outstanding balance of the Credit Facility is equal to or below the borrowing base availability. This payment is required to be made by the date that the quarterly borrowing base availability certification is due to the lender. This is not an event of default of the loan, and the borrowing base availability will continue to be monitored on a quarterly basis. The Company intends to make the required \$7.8 million payment before the reporting deadline, March 31, 2023, and has sufficient cash available to do so.

The Credit Facility contains various financial and non-financial covenants. Included in these covenants are general liquidity and net worth requirements for the Borrower LLC and the Operating Member. The Operating Member is a guarantor, under certain circumstances outlined in the Credit Facility agreement. As of December 31, 2022, the Borrower LLC and Operating Member were in compliance with all financial and non-financial covenants per the Credit Facility agreement.

The following is a summary of the Credit Facility secured by the Company's properties as of December 31, 2022 (dollar amounts in thousands):

Borrower	Commitment Amount <sup>(3)</sup>	Maturity Date	Interest Rate	Balance as of December 31, 2022 <sup>(1)(2)</sup>
Fundrise MF Facility 1 Borrower, LLC	\$ 175,000	03/09/2025	SOFR (0% floor) + 1.75% margin benchmark rate or 0.75% base rate	\$ 165,318

- (1) Excludes net deferred financing costs of approximately \$2.9 million as of December 31, 2022. These unamortized deferred financing costs are included in "Other assets, net" on the consolidated balance sheet.
- (2) The Credit Facility is secured by the real estate investments held by FRMF – GTOWN -OPS, LLC, FRMF – Maitland, LLC, FRMF-Charleston, LLC, FRMF – Humble, LP, and FRMF Woodlands, LP.
- (3) As of December 31, 2022, the commitment amount is \$175.0 million, with a maximum commitment capacity available to the Borrower LLC of up to \$400.0 million.

The following table presents the expected future principal payments due under the Company's Credit Facility as of December 31, 2022 (dollar amounts in thousands):

Year	Amount
2023	\$ 7,784
2024	-
2025	157,534
2026	-
2027 and thereafter	-
<b>Total</b>	<b>\$ 165,318</b>

## 6. Mortgages Payable

The following is a summary of the mortgage notes secured by the Company's properties as of December 31, 2022 (amounts in thousands):

Borrower <sup>(1)</sup>	Loan Effective Date	Amount of Loan	Interest Rate as of December 31, 2022	Interest Rate as of December 31, 2021	Maturity Date	Balance as of December 31, 2022	Balance as of December 31, 2021
FRMF-ODESSA, LLC <sup>(2)</sup>	12/30/2021	\$ 64,501	SOFR (0% floor) + 2.31% margin	SOFR (0% floor) + 2.31% margin	12/30/2031	\$ 64,501	\$ 64,501
FRMF-PINELLAS, LLC <sup>(3)(6)</sup>	10/14/2021	\$ 37,000	SOFR + 1.75% spread (with a 1.75% total floor)	LIBOR + 1.65% spread (with a 1.65% total floor)	10/14/2023	\$ 26,000	\$ 37,000
FRMF-VEGAS, LLC <sup>(4)(5)</sup>	02/25/2022	\$ 42,250	SOFR (0% floor) + 1.40% margin	N/A	08/25/2023	\$ 42,250	\$ -
FRMF-MYRTLE, LLC <sup>(2)</sup>	06/30/2022	\$ 29,500	SOFR (0% floor) + 1.80% margin	N/A	06/30/2025	\$ 29,500	\$ -

- (1) Each loan above was entered into or assumed by a wholly owned subsidiary (each a Borrower) of the Company. Each Borrower is a separate legal entity from its affiliates and therefore the assets and credit of each Borrower are not available to satisfy the debts and other obligations of any affiliates or any other entity. The Operating Member is the guarantor, under certain circumstances outlined in the loan agreements, of each of the loans above.
- (2) The loan calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity, with no options to extend.
- (3) The initial loan executed on October 14, 2021 called for interest-only payments for the entire term of the loan and a principal balloon payment at maturity, with one option to extend, for an additional one-year period with the extension option at our discretion subject to meeting certain requirements. The one year option was exercised on October 14, 2022. In connection with the extension, approximately \$11.0 million of the mortgage loan was repaid and the contractual interest was adjusted, as outlined above.
- (4) The Company has the option to extend the maturity date an additional six months to February 2024, which the Company expects to exercise
- (5) The loan calls for interest-only payments for the entire term of the loan and a principal balloon payment at maturity, with one option to extend, for an additional six-month period with the extension option at our discretion subject to meeting certain requirements.
- (6) The Company intends to refinance or repay this principal by either seeking a new loan, drawing proceeds freed up on the credit facility from a refinance of another performing asset off of the credit facility, calling capital from the Members, recycling cash from operations, or some combination of these options.



The mortgage notes listed below were entered into during 2021 and subsequently refinanced onto the Credit Facility (Note 5) during the year ended December 31, 2022 (*amounts in thousands*):

<b>Borrower</b>	<b>Loan Effective Date</b>	<b>Amount of Loan</b>	<b>Loan Interest Rate as of December 31, 2021</b>	<b>Loan Maturity Date</b>	<b>Date Refinanced onto Credit Facility</b>	<b>Balance as of December 31, 2022</b>	<b>Balance as of December 31, 2021</b>
FRMF-GTOWN-OPS, LLC	03/05/2021	\$ 27,500	SOFR (0.25% floor) + 1.50% margin	03/04/2022	03/09/2022	\$ -	\$ 27,500
FRMF-MAITLAND, LLC	06/02/2021	\$ 45,719	LIBOR + 1.65% spread (with a 1.65% total floor)	08/02/2022	07/12/2022	\$ -	\$ 45,719
FRMF-CHARLESTON, LLC	07/29/2021	\$ 31,405	LIBOR Rate x Statutory Reserve Rate (0% floor) + 1.65% margin	07/29/2023	03/09/2022	\$ -	\$ 31,405
FRMF-HUMBLE, LP	08/25/2021	\$ 27,913	LIBOR + 1.65% spread (with a 1.65% total floor)	08/25/2022	03/09/2022	\$ -	\$ 27,913
FRMF-WOODLANDS, LP	10/29/2021	\$ 30,300	SOFR (0% floor) + 1.50% margin	10/28/2022	10/20/2022	\$ -	\$ 30,300

For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, we incurred interest expense of approximately \$7.8 and \$2.7 million, respectively. Approximately \$938,000 and \$314,000 remained payable as of December 31, 2022 and 2021, respectively. None of the outstanding interest as of December 31, 2022 was related to the mortgages refinanced onto the Credit Facility during the year ended December 31, 2022.

The mortgage notes contain various financial and non-financial covenants. Included in these covenants are general liquidity, net worth, and contingent liability requirements for the Company and Operating Member. As of December 31, 2022 and 2021, the Company and Operating Member were in compliance with all financial and non-financial covenants per the mortgage notes.

As of December 31, 2022 and 2021, total financing costs related to mortgage loans incurred were approximately \$1.5 and \$1.6 million, respectively. Net financing costs are reflected on the consolidated balance sheets as a reduction to the related mortgage payable, which totaled approximately \$1.0 million and \$1.1 million as of December 31, 2022 and 2021, respectively. For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, amortization of financing costs was approximately \$925,000 and \$525,000, respectively, and is included in "Interest expense" in the consolidated statements of operations.

The following table presents the future principal payments due under the Company's mortgage notes as of December 31, 2022 (*dollar amounts in thousands*):

<b>Year</b>	<b>Amount</b>
2023	68,250
2024	-
2025	29,500
2026	-
2027 and thereafter	64,501
<b>Total</b>	<b>\$ 162,251</b>

## 7. Derivative Financial Instrument

Effective December 29, 2021, we entered into an interest rate cap agreement for \$140,000 with a notional amount of approximately \$64.5 million and a strike rate of 3.69% to manage our exposure to interest rate risk on the FRMF-ODESSA, LLC variable rate debt (see Note 6). The interest rate cap is not for trading or other speculative purposes.

The interest rate cap agreement matures on January 1, 2025. We have not designated the interest rate cap as a cash flow hedge, therefore the derivative does not qualify for hedge accounting. Accordingly, changes in the fair value of the interest rate cap are recognized immediately through earnings. For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, we recognized an increase (decrease) in the fair value of the interest rate cap of approximately \$1.1 million and (\$29,000), respectively, recorded as "Increase (decrease) in fair value of derivative financial instrument" in our consolidated statements of operations.

The fair value of our derivative is estimated based on observable market inputs, such as interest rate, term to maturity and volatility, as well as unobservable inputs, such as estimates of current credit spreads. The fair value of our derivative instrument as of December 31, 2022 and 2021 is shown below (*dollar amounts in thousands*):

<b>Derivative Instrument</b>	<b>Notional Amount</b>	<b>Effective Date</b>	<b>Maturity Date</b>	<b>Fair Value as of December 31, 2022</b>	<b>Fair Value as of December 31, 2021</b>
Interest Rate Cap	\$ 64,501	12/29/2021	1/1/2025	\$ 1,266	\$ 111

## 8. Fair Value of Financial Instruments

We are required to disclose an estimate of fair value of our financial instruments for which it is practicable to estimate the value. The fair value of a financial instrument is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. For certain of our financial instruments, fair values are not readily available since there are no active trading markets as characterized by current exchanges by market participants.

We determine the fair value of certain investments in accordance with the fair value hierarchy that requires an entity to maximize the use of observable inputs. The fair value hierarchy includes the following three levels based on the objectivity of the inputs, which were used for categorizing the assets or liabilities for which fair value is being measured and reported:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs).

Level 3 – Valuation generated from model-based techniques that use inputs that are significant and unobservable in the market. These unobservable assumptions reflect estimates of inputs that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow methodologies or similar techniques, which incorporate management’s own estimates of assumptions that market participants would use in pricing the instrument or valuations that require significant management judgment or estimation.

As of December 31, 2022 and 2021, the Company’s significant financial instruments consist of cash, restricted cash, the derivative financial instrument, mortgage payables, and the outstanding principal on the Credit Facility.

The carrying amount of the Company’s cash and restricted cash as of December 31, 2022 and 2021 approximates fair value due to its short-term nature.

The only asset or liability as of December 31, 2022 and 2021 that is recorded at fair value on a recurring basis is the derivative financial instrument. As of December 31, 2022 and 2021, management estimated the fair value of our derivative financial instrument to be approximately \$1.3 million and \$111,000, respectively. We classify these fair value measurements as Level 2 as we use significant other observable inputs such as interest rate, term to maturity and volatility.

As of December 31, 2022 and 2021, the Credit Facility outstanding principal carrying value was approximately \$165.3 million and \$0, respectively, and the aggregate fair value approximated its carrying value. The fair value of our borrowings under variable rate agreements are estimated using a present value technique based on expected cash flows discounted using the current market rates (Level 3).

As of December 31, 2022 and 2021, the mortgages payable outstanding principal carrying value was approximately \$162.3 million and \$264.3 million, respectively, and the aggregate fair value approximated its carrying value. We classify the mortgage payable fair value measurements as Level 3 as we use significant unobservable inputs and management judgement. The methods utilized generally included a discounted cash flow method (an income approach) and recent investment method (a market approach). Significant inputs and assumptions include the market-based interest or preferred return rate, loan to value ratios, and expected repayment and prepayment dates.

Any changes to the valuation methodology will be reviewed by management to ensure the changes are appropriate. The methods used may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, while we anticipate that our valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value could result in a different estimate of fair value at the reporting date.

## **9. Members’ Equity**

Capital contributions are required from the Members on a pro rata basis as defined in the Operating Agreement. For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, capital contributions totaled approximately \$172.6 million and \$222.0 million, respectively.

Distributions shall be made to the Operating Member and the Investor Member pro rata in proportion to their respective ownership percentages. For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, the Company’s total distributions declared to Members was approximately \$117.5 million and \$4.7 million, respectively. Approximately \$929,000 and \$1.1 million of distributions were payable as of December 31, 2022 and 2021 respectively.

The Company’s net income or loss is allocated to Operating Member and the Investor Member pro rata in proportion to their respective ownership percentages.

## 10. Property Management Agreements

The Company enters into property management agreements with third parties for all acquisitions. As of December 31, 2022, the Company has active agreements with two third party property managers.

In connection with the acquisitions described in Note 3, for the year ended December 31, 2022, the Company entered into two property management agreements with a third party for a one-year period. These agreements shall automatically be extended for successive periods of one year, and may be terminated by either party after the end of the initial term if one party gives the other party written notice. Property management fees for these agreements range from 2.50% to 2.75% of gross receipts with a minimum management fee ranging from \$5,000 to \$5,750, as defined in the property management agreements. As of December 31, 2022, there are seven active property management agreements with this third party.

During the year ended December 31, 2022, one property management agreement from the prior year was terminated with a third party. A new agreement was entered into with the property manager and terms described above. The remaining two agreements from the prior year shall automatically continue on a month-to-month basis unless one party gives the other party written notice of its intent not to renew the agreement. Property management fees for these agreements are equal to 2.5% of gross collections with a minimum management fee of \$8,500, as defined in the property management agreements. As of December 31, 2022, there are two active property management agreements with this third party.

For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, the Company incurred property management fees of approximately \$1.2 million and \$483,000, respectively, which are included in "Property operations and maintenance" expense on the accompanying consolidated statements of operations.

## 11. Related Party Transactions

### *Operating Expenses*

Under the terms of the Operating Agreement, the Company shall pay or reimburse the Operating Member for expenses incurred directly related to the operation, maintenance, and administration of the Company. For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, the Operating Member incurred approximately \$4,000 and \$122,000, respectively, of reimbursable operating costs on our behalf. As of December 31, 2022 and 2021, approximately \$0 and \$107,000, respectively, of reimbursable operating costs were payable.

### *Acquisition Fees*

During 2022, we paid the Sponsor a one-time acquisition fee equal to 1.0% of the purchase price of each real estate property acquired. Acquisition fees are capitalized in "Rental real estate properties" and "Real estate held for improvement" in the consolidated balance sheets. For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, total acquisition fees paid to the Sponsor were approximately \$1.4 and \$4.5 million, respectively. As of December 31, 2022 and 2021, no acquisition fees were payable.

### *Deposits*

In connection with the acquisition of FRMF - Vegas, LLC, we reimbursed an affiliate approximately \$2.0 million for a deposit that was paid by the affiliate prior to close.

### *Affiliate Service Agreement*

Effective January 1, 2022, the Company entered into a real estate services agreement (the "Service Agreement") with Fundrise Real Estate, LLC, a subsidiary of the Sponsor. The Service Agreement outlines various services Fundrise Real Estate, LLC agrees to perform as an independent contractor on a non-exclusive basis, including but not limited to real estate asset management, origination and acquisition services, loan servicing, and development and entitlement services. Compensation for such services is paid to Fundrise Real Estate, LLC as described in the Service Agreement.

For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, the Company incurred asset management fees of approximately \$3.1 million and \$0, respectively, and debt servicing fees of approximately \$439,000 and \$0, respectively, which are both included in “Asset management and other fees” on the accompanying consolidated statements of operations. As of December 31, 2022 and 2021, approximately \$310,000 and \$0, respectively, were payable to Fundrise Real Estate, LLC.

For the year ended December 31, 2022 and the period January 20, 2021 (inception) through December 31, 2021, the Company incurred capital markets fees of approximately \$1.2 million and \$0, respectively, related to the closing of the Credit Facility and property mortgages. As of December 31, 2022 and 2021, no capital markets fees were payable to Fundrise Real Estate, LLC.

## **12. Commitments and Contingencies**

### *Litigation*

In the ordinary course of business, we may become subject to litigation or claims. As of December 31, 2022 and 2021, there were no material pending legal proceedings to which the Company is a party.

## **13. Subsequent Events**

In connection with the preparation of the accompanying consolidated financial statements, we have evaluated events and transactions occurring through February 25, 2023, for potential recognition or disclosure. We have determined that there are no events and transactions that have occurred through February 25, 2023 that require potential recognition or disclosure.

Supplemental Schedules

**Consolidating Balance Sheets**  
(Amounts in thousands)

	Fundrise MF JV 1, LLC	Fundrise MF PORTFOLIO, LLC	Fundrise MF FACILITY 1 BORROWER, LLC	Fundrise MF TRS 1, LLC	FRMF-GTOWN-OPS, LLC	FRMF-ODESSA, LLC
	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>Rounded</i>
	<u>As of December 31, 2022</u>	<u>As of December 31, 2022</u>	<u>As of December 31, 2022</u>	<u>As of December 31, 2022</u>	<u>As of December 31, 2022</u>	<u>As of December 31, 2022</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,215	\$ -	\$ 2,085	\$ -	\$ 2,217	\$ 528
Restricted cash	-	-	-	-	91	611
Other assets, net	4,762	774	2,261	-	47	85
Derivative financial instrument	-	-	-	-	-	1,266
Investments in subsidiaries	263,182	263,182	287,918	-	-	-
Investments in real estate held for improvement	-	-	-	-	-	-
Investments in rental real estate properties, net	-	-	-	-	47,660	82,341
<b>Total Assets</b>	<b>\$ 273,159</b>	<b>\$ 263,956</b>	<b>\$ 292,264</b>	<b>\$ -</b>	<b>\$ 50,015</b>	<b>\$ 84,831</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>						
Liabilities:						
Accounts payable and accrued expenses	\$ 49	\$ -	\$ 211	\$ -	\$ 1,063	\$ 498
Due to related party	37	4,965	127	1	-	-
Distributions payable to Owner	-	-	-	-	-	30
Distributions payable	929	-	-	-	-	-
Rental security deposits and other liabilities	-	-	-	-	107	186
Mortgages payable, net	-	(216)	-	-	-	63,939
Credit facility	-	-	165,318	-	-	-
<b>Total Liabilities</b>	<b>1,015</b>	<b>4,749</b>	<b>165,656</b>	<b>1</b>	<b>1,170</b>	<b>64,653</b>
<b>Total Members' Equity</b>	<b>272,144</b>	<b>259,207</b>	<b>126,608</b>	<b>(1)</b>	<b>48,845</b>	<b>20,178</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 273,159</b>	<b>\$ 263,956</b>	<b>\$ 292,264</b>	<b>\$ -</b>	<b>\$ 50,015</b>	<b>\$ 84,831</b>

Supplemental Schedules (continued)

**Consolidating Balance Sheets**  
**(continued)**  
*(Amounts in thousands)*

	FRMF-MAITLAND, LLC	FRMF-CHARLESTON, LLC	FRMF-HUMBLE, LP	FRMF-PINELLAS, LLC	FR HERON BAY, LLC	FRMF-WOODLANDS, LP
	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>
	<b>As of December 31, 2022</b>	<b>As of December 31, 2022</b>	<b>As of December 31, 2022</b>	<b>As of December 31, 2022</b>	<b>As of December 31, 2022</b>	<b>As of December 31, 2022</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 590	\$ 1,020	\$ 1,746	\$ 751	\$ -	\$ 1,972
Restricted cash	111	591	67	122	-	103
Other assets, net	91	107	175	111	1,201	87
Derivative financial instrument	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-
Investments in real estate held for improvement	-	-	-	-	6,123	-
Investments in rental real estate properties, net	78,940	52,867	47,324	63,187	-	53,602
<b>Total Assets</b>	<b>\$ 79,732</b>	<b>\$ 54,585</b>	<b>\$ 49,312</b>	<b>\$ 64,171</b>	<b>\$ 7,324</b>	<b>\$ 55,764</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>						
Liabilities:						
Accounts payable and accrued expenses	\$ 120	\$ 824	\$ 1,384	\$ 418	\$ -	\$ 1,621
Due to related party	-	-	-	-	-	-
Distributions payable to Owner	4	-	-	62	-	-
Distributions payable	-	-	-	-	-	-
Rental security deposits and other liabilities	124	178	92	134	-	153
Mortgages payable, net	-	-	-	25,962	-	-
Credit facility	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>248</b>	<b>1,002</b>	<b>1,476</b>	<b>26,576</b>	<b>-</b>	<b>1,774</b>
<b>Total Members' Equity</b>	<b>79,484</b>	<b>53,583</b>	<b>47,836</b>	<b>37,595</b>	<b>7,324</b>	<b>53,990</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 79,732</b>	<b>\$ 54,585</b>	<b>\$ 49,312</b>	<b>\$ 64,171</b>	<b>\$ 7,324</b>	<b>\$ 55,764</b>

Supplemental Schedules (continued)

**Consolidating Balance Sheets**  
**(continued)**  
*(Amounts in thousands)*

	FRMF-VEGAS, LLC	FRMF-MYRTLE, LLC	<i>Eliminations</i>	<i>MF JV 1, LLC Consolidated</i>
	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>
	<b>As of December 31, 2022</b>	<b>As of December 31, 2022</b>	<b>As of December 31, 2022</b>	<b>As of December 31, 2022</b>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 974	\$ 335	\$ -	\$ 17,433
Restricted cash	129	81	-	1,906
Other assets, net	189	39	(4,891)	5,038
Derivative financial instrument	-	-	-	1,266
Investments in subsidiaries	-	-	(814,282)	-
Investments in real estate held for improvement	-	-	-	6,123
Investments in rental real estate properties, net	78,556	55,007	-	559,484
<b>Total Assets</b>	<b><u>\$ 79,848</u></b>	<b><u>\$ 55,462</u></b>	<b><u>\$ (819,173)</u></b>	<b><u>\$ 591,250</u></b>
<b><u>LIABILITIES AND MEMBERS' EQUITY</u></b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 441	\$ 230	\$ -	\$ 6,859
Due to related party	(1)	(33)	(4,795)	301
Distributions payable to Owner	-	-	(96)	-
Distributions payable	-	-	-	929
Rental security deposits and other liabilities	136	97	-	1,207
Mortgages payable, net	42,169	29,384	-	161,238
Credit facility	-	-	-	165,318
<b>Total Liabilities</b>	<b><u>42,745</u></b>	<b><u>29,678</u></b>	<b><u>(4,891)</u></b>	<b><u>335,852</u></b>
<b>Total Members' Equity</b>	<b><u>37,103</u></b>	<b><u>25,784</u></b>	<b><u>(814,282)</u></b>	<b><u>255,398</u></b>
<b>Total Liabilities and Members' Equity</b>	<b><u>\$ 79,848</u></b>	<b><u>\$ 55,462</u></b>	<b><u>\$ (819,173)</u></b>	<b><u>\$ 591,250</u></b>



Supplemental Schedules (continued)

**Consolidating Statements of Operations**

(Amounts in thousands)

	Fundrise MF JV 1, LLC	Fundrise MF PORTFOLIO, LLC	Fundrise MF FACILITY 1 BORROWER, LLC	Fundrise MF TRS 1, LLC	FRMF-GTOWN-OPS, LLC	FRMF-ODESSA, LLC
	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>
	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022
<b>Revenue</b>						
Rental revenue	\$ -	\$ -	\$ -	\$ -	\$ 4,740	\$ 7,611
Other property revenue	-	-	-	-	457	755
Other revenue	67	-	-	-	-	-
<b>Total Revenue</b>	<u>67</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,197</u>	<u>8,366</u>
<b>Expenses</b>						
Property operating and maintenance	-	-	-	-	2,377	3,261
Depreciation and amortization	-	-	-	-	1,656	3,012
Asset management and other fees	-	3,577	-	-	-	-
General and administrative expenses	204	16	9	1	-	-
<b>Total Expenses</b>	<u>204</u>	<u>3,593</u>	<u>9</u>	<u>1</u>	<u>4,033</u>	<u>6,273</u>
<b>Other Income (Expense)</b>						
Interest expense	-	(366)	(3,829)	-	(95)	(2,421)
Increase (decrease) in fair value of derivative financial instrument	-	-	-	-	-	1,141
<b>Total Other Income (Expenses)</b>	<u>-</u>	<u>(366)</u>	<u>(3,829)</u>	<u>-</u>	<u>(95)</u>	<u>(1,280)</u>
<b>Net Income (Loss)</b>	<u>\$ (137)</u>	<u>\$ (3,959)</u>	<u>\$ (3,838)</u>	<u>\$ (1)</u>	<u>\$ 1,069</u>	<u>\$ 813</u>

Supplemental Schedules (continued)

Consolidating Statements of Operations  
(continued)

(Amounts in thousands)

	FRMF-MAITLAND, LLC	FRMF-CHARLESTON, LLC	FRMF-HUMBLE, LP	FRMF-PINELLAS, LLC	FR HERON BAY, LLC	FRMF-WOODLANDS, LP
	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>
	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022	For the Year Ended December 31, 2022
<b>Revenue</b>						
Rental revenue	\$ 6,420	\$ 4,282	\$ 4,247	\$ 4,543	\$ -	\$ 4,026
Other property revenue	365	431	456	446	-	358
Other revenue	-	-	-	-	-	-
<b>Total Revenue</b>	<b>6,785</b>	<b>4,713</b>	<b>4,703</b>	<b>4,989</b>	<b>-</b>	<b>4,384</b>
<b>Expenses</b>						
Property operating and maintenance	3,004	2,465	2,940	2,505	-	3,237
Depreciation and amortization	2,788	2,206	2,038	2,521	-	2,148
Asset management and other fees	-	-	-	-	-	-
General and administrative expenses	-	-	-	-	-	-
<b>Total Expenses</b>	<b>5,792</b>	<b>4,671</b>	<b>4,978</b>	<b>5,026</b>	<b>-</b>	<b>5,385</b>
<b>Other Income (Expense)</b>						
Interest expense	(799)	(218)	(116)	(1,222)	-	(609)
Increase (decrease) in fair value of derivative financial instrument	-	-	-	-	-	-
<b>Total Other Income (Expenses)</b>	<b>(799)</b>	<b>(218)</b>	<b>(116)</b>	<b>(1,222)</b>	<b>-</b>	<b>(609)</b>
<b>Net Income (Loss)</b>	<b>\$ 194</b>	<b>\$ (176)</b>	<b>\$ (391)</b>	<b>\$ (1,259)</b>	<b>\$ -</b>	<b>\$ (1,610)</b>

Supplemental Schedules (continued)

**Consolidating Statements of Operations**  
**(continued)**  
*(Amounts in thousands)*

	FRMF-VEGAS, LLC	FRMF- MYRTLE, LLC	<i>Eliminations</i>	<i>MF JV 1, LLC Consolidated</i>
	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>	<i>rounded</i>
	<b>For the Year Ended December 31, 2022</b>	<b>For the Year Ended December 31, 2022</b>	<b>For the Year Ended December 31, 2022</b>	<b>For the Year Ended December 31, 2022</b>
<b>Revenue</b>				
Rental revenue	\$ 2,900	\$ 998	\$ -	\$ 39,767
Other property revenue	613	67	-	3,948
Other revenue	-	-	-	67
<b>Total Revenue</b>	<b><u>3,513</u></b>	<b><u>1,065</u></b>	<b><u>-</u></b>	<b><u>\$ 43,782</u></b>
<b>Expenses</b>				
Property operating and maintenance	1,307	475	-	21,571
Depreciation and amortization	2,621	1,262	-	\$ 20,252
Asset management and other fees	-	-	-	3,577
General and administrative expenses	-	-	-	230
<b>Total Expenses</b>	<b><u>3,928</u></b>	<b><u>1,737</u></b>	<b><u>-</u></b>	<b><u>45,630</u></b>
<b>Other Income (Expense)</b>				
Interest expense	(1,310)	(825)	-	\$ (11,810)
Increase (decrease) in fair value of derivative financial instrument	-	-	-	1,141
<b>Total Other Income (Expenses)</b>	<b><u>(1,310)</u></b>	<b><u>(825)</u></b>	<b><u>-</u></b>	<b><u>(10,669)</u></b>
<b>Net Income (Loss)</b>	<b><u>\$ (1,725)</u></b>	<b><u>\$ (1,497)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (12,517)</u></b>