
Section 1: 8-K (INLAND REAL ESTATE INCOME TRUST, INC. - 8K - 3/21/18)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 20, 2018 (March 21, 2018)**

INLAND REAL ESTATE INCOME TRUST, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland

(State or Other Jurisdiction of Incorporation)

000-55146

(Commission File Number)

45-3079597

(IRS Employer Identification No.)

**2901 Butterfield Road
Oak Brook, Illinois 60523**

(Address of Principal Executive Offices)

(630) 218-8000

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

Correspondence with Financial Advisors and Broker Dealers

Filed as Exhibit 99.1 to this Current Report, and incorporated by reference in this Item 7.01, is the text of a correspondence, including frequently asked questions, from Inland Real Estate Income Trust, Inc. (the “Company”) to financial advisors and broker dealers who participated in the Company’s public offering, notifying them that the board of directors of the Company (the “Board”), including all the independent members of the Board, unanimously approved: (i) \$22.35 as the estimated per share net asset value (the “Estimated Per Share NAV”) of the Company’s common stock as of December 31, 2017; (ii) \$22.35 per share as the purchase price of shares purchased under the Company’s amended and restated distribution reinvestment plan (the “DRP”) beginning with the first quarter distribution payment to stockholders to be paid in April 2018, and (iii) that, in accordance with the Company’s amended and restated share repurchase program (the “SRP”), shares accepted for repurchase going forward will be repurchased at 92.5%-100% of \$22.35 per share depending on the length of ownership.

Pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”), the information contained in this Item 7.01, including Exhibit 99.1 and the information set forth therein, is deemed to have been furnished and shall not be deemed to be “filed” under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such act, nor shall any of such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

By furnishing the information contained in this Item 7.01 disclosure, including Exhibit 99.1, the Company makes no admission as to the materiality of such information.

Item 8.01 Other Events.

Determination of Estimated Per Share NAV

Background and Conclusion

The Company announces that its Board has determined the Estimated Per Share NAV of its common stock and is providing such information to its stockholders and to members of the Financial Industry Regulatory Authority (“FINRA”) and their associated persons who participated in the Company’s public offering in order to assist them in meeting their customer account statement reporting obligations under the National Association of Securities Dealers Conduct Rule 2340.

To assist the Board in establishing the Estimated Per Share NAV, the Company engaged CBRE Capital Advisors, Inc., a FINRA registered broker dealer firm that specializes in providing real estate financial services (“CBRE Cap”). CBRE Cap provided an analysis of the Company’s assets and liabilities (including individual property-level analyses), all of which was used to estimate a range of Estimated Per Share NAVs. The engagement of CBRE Cap was based on a number of factors, including CBRE Cap’s expertise in valuation services and its, and its affiliates’, breadth and depth of experience in real estate services. CBRE Cap engaged CBRE Valuation & Advisory Services, an affiliate of CBRE Cap that conducts appraisals and valuations of real properties (the “MAI Appraisals”), to perform cash flow projections and unlevered, ten-year discounted cash flow analyses from restricted-use appraisals for each of the Company’s wholly-owned operating assets as of December 31, 2017 (the “Valuation Date”). Based on the MAI Appraisals, the Company’s filings with the SEC and financial materials and other guidance provided by IREIT Business Manager & Advisor, Inc., the Company’s business manager and advisor (the “Business Manager”), CBRE Cap developed a valuation analysis of the Company’s assets and liabilities and provided that analysis to the Board in a report dated March 20, 2018 that contained, among other information, a range of per share net asset values for the Company’s common stock as of the Valuation Date (the “Valuation Report”). There have been no changes between December 31, 2017 and the date of the Valuation Report that the Business Manager believes would materially impact the overall Estimated Per Share NAV.

The Board reviewed the Valuation Report, met with representatives from CBRE Cap in person and considered the material assumptions and valuation methodologies applied and described therein. Taking into consideration the reasonableness of the valuation methodologies, assumptions, and the conclusions contained in the Valuation Report, on March 20, 2018, the Board unanimously determined the Company's total estimated net asset value to be approximately \$793.4 million, or \$22.35 per share, based on a share count of approximately 35.5 million shares issued and outstanding as of the Valuation Date. The Valuation Report contained a range for the Company's Estimated Per Share NAV of \$21.23 to \$23.47. The Estimated Per Share NAV is the mid-point of the range of values provided by CBRE Cap.

The Board's determination of the Estimated Per Share NAV was undertaken in accordance with the Company's valuation policy and the recommendations and methodologies of the Investment Program Association, a trade association for non-listed direct investment vehicles ("IPA"), as set forth in IPA Practice Guideline 2013-01 "Valuations of Publicly Registered Non-Listed REITs" (the "IPA Practice Guideline"). In accordance with the valuation policy and the IPA Practice Guideline, the Estimated Per Share NAV excludes any value adjustments due to the size and diversification of the Company's portfolio of assets.

The Estimated Per Share NAV represents a snapshot in time, will likely change, and does not necessarily represent the amount a stockholder would receive now or in the future for his or her shares of the Company's common stock. Stockholders should not rely on the Estimated Per Share NAV in making a decision to buy or sell shares of our common stock. The Estimated Per Share NAV is based on a number of assumptions, estimates and data that are inherently imprecise and susceptible to uncertainty and changes in circumstances, including changes to the value of individual assets as well as changes and developments in the real estate and capital markets, changes in interest rates, and changes in the composition of the Company's portfolio. Please see "Valuation Methodologies," and "Additional Information Regarding the Valuation, Limitations of the Estimated Per Share NAV and CBRE Cap" in this Current Report, below.

The Board, including all of the Board's independent members, is ultimately and solely responsible for the determination of the Estimated Per Share NAV. The Company currently expects to publish an updated Estimated Per Share NAV on at least an annual basis.

Valuation Methodologies

As of the Valuation Date, the Company's real estate portfolio was comprised of 59 retail properties, totaling approximately 6.9 million square feet. The weighted average period of time that the Company has owned the properties is 2.7 years as of the Valuation Date. The Company also has invested in a joint venture to develop three transitional care/rapid recovery centers.

To estimate our per share value, CBRE Cap utilized the "net asset value" or "NAV" method, also known as the appraised value methodology, which is based on the fair value of real estate, real estate related investments and all other assets, less the fair value of total liabilities. The fair value estimate of our real estate assets is equal to the sum of their individual real estate values. Generally, CBRE Cap estimated the value of the Company's real estate assets using several methodologies, including a discounted cash flow, or "DCF," of projected net operating income, less capital expenditures, for each property, for the ten-year period ending December 31, 2027, and applied a discount rate which it believed was consistent with the inherent level of risk associated with the asset. The other methodologies considered consisted of the "direct cap rate" and "sales comparison" approaches. CBRE Cap believed use of the DCF approach was more appropriate because of the large percentage of multi-tenant assets owned by the Company. The estimated value of the Company's real estate assets reflects an overall increase of 2.7% compared to the Company's original cost of the real estate assets plus any capital expenditures invested by the Company. Joint venture properties were included in other assets and valued based on the equity allocated as of December 31, 2017. For all other assets, such as other current assets, fair value was determined separately based on book value. The Business Manager determined the fair market value of the Company's debt by comparing current market interest rates to the contract rates on the Company's long-term debt and discounting to present value the difference in future payments. The fair market value of the Company's debt was reviewed by CBRE Valuation & Advisory Services for reasonableness and utilized in the

Valuation Report. CBRE Cap determined the present value of unpaid earnout liabilities using the discount rate from MAI Appraisals. The estimated value of the incentive fee payable to the Business Manager is based on 10% of the amount by which the value of the Company's shares, plus distributions paid, exceeds a return of stockholders' capital plus a 7% cumulative, pre-tax, non-compounded return to the stockholders. CBRE Cap determined that no incentive fee would be payable under a hypothetical liquidation occurring within the range of values provided in the Valuation Report. CBRE Cap determined NAV in a manner consistent with the definition of fair value under U.S. generally accepted accounting principles set forth in FASB's Topic ASC 820, *Fair Value Measurements and Disclosures*.

Net asset value per share was estimated by subtracting the fair value of our total liabilities from the fair value of our total assets and dividing the result by the number of common shares outstanding as of the Valuation Date. CBRE Cap created a valuation range by first establishing a discount rate and terminal capitalization rate for each real estate asset. CBRE Cap then applied a discount rate and terminal capitalization rate sensitivity analysis by varying the discount rate and terminal capitalization rate of each real estate asset by 2.5% in either direction, which represents an approximate 5% sensitivity on the discount rates and terminal capitalization rates, resulting in a value range equal to \$21.23 to \$23.47 per share. The mid-point in that range was \$22.35. Discount rates and terminal capitalization rates were sourced from the MAI Appraisals and varied by location, asset quality and supply and demand metrics. The estimated value assumes a weighted average discount rate equal to 7.61% and a weighted average terminal capitalization rate of 6.89%.

The terminal capitalization rate and discount rate have a significant impact on the estimated value under the net asset value method. The following chart presents the impact of changes to our share price based on variations in the terminal capitalization rate and discount rate within the range of values determined by CBRE Cap.

	Range of Value and Rate		
	Low	Mid-point	High
Share Price	\$ 21.23	\$ 22.35	\$ 23.47
Terminal Capitalization Rate	7.04%	6.89%	6.69%
Discount Rate	7.80%	7.61%	7.42%

The following table summarizes the individual components presented to the Board to estimate per share values as of the dates presented. All share information has been adjusted to reflect the 1-for-2.5 reverse stock split effected by the Company on January 16, 2018.

	Per Share as of December 31, 2017	Per Share as of December 31, 2016
Real Estate Assets	\$ 41.34	\$ 39.75
Cash and Other Assets, Net of Other Liabilities ⁽¹⁾	0.30	(0.24)
Fair Market Value of Debt ⁽²⁾	(19.29)	(16.88)
Estimated Per Share NAV (mid-point)	\$ 22.35	\$ 22.63

- (1) Includes the following line items from the Company's audited financial statements as of December 31, 2017 and 2016, respectively: (i) cash and cash equivalents; (ii) investment in unconsolidated entities; (iii) accounts and rent receivables; (iv) other assets; (v) accounts payable and accrued expenses; (vi) distributions payable; (vii) due to related parties and (viii) other liabilities. Includes present value of unpaid earnout liabilities of (\$0.03) and (\$0.30) as of December 31, 2017 and 2016, respectively.
- (2) Comprised of mortgage loans and credit facility payable from the Company's audited financial statements as of December 31, 2017 and 2016, respectively, as adjusted for fair market value.

The primary factors that impacted the Company's Estimated Per Share NAV as compared to the Company's prior NAV determination as of December 31, 2016 were (i) an increase in the value of the real estate portfolio due to the acquisition of three properties in 2017, offset by a decrease in the value of other certain properties acquired prior to 2017 and (ii) an increase in the fair market value of debt due to additional mortgage loans incurred in 2017 plus a decrease in the fair market value adjustment of debt as a result of the decreasing remaining terms to maturity of existing mortgage loans as such loans approach their respective maturity dates.

New Purchase Price under the Amended and Restated Distribution Reinvestment Plan

Pursuant to the DRP, the price per share for shares of common stock purchased under the DRP is equal to the estimated value of a share, as determined by the Board and reported by the Company from time to time, until the shares become listed for trading, if a listing occurs, assuming that the DRP has not been terminated or suspended in connection with such listing. Accordingly, under the DRP, until we announce a new Estimated Per Share NAV, distributions may be reinvested in shares of our common stock at a price equal to \$22.35 per share, beginning with the first quarter distribution payment to stockholders to be paid in April 2018.

New Purchase Price under the Amended and Restated Share Repurchase Program

The Company repurchases shares as soon as reasonably practicable following the end of each calendar quarter, subject to the terms and limitations contained in the SRP. Pursuant to the SRP, we may repurchase shares at prices ranging from 92.5% of the “share price,” as defined in the SRP, for stockholders who have owned shares for at least one year to 100% of the “share price” for stockholders who have owned shares for at least four years. For repurchases sought upon a stockholder’s death or qualifying disability, we may repurchase shares at a price equal to 100% of the “share price.” The “share price” is equal to the lesser of: (A) the offering price of our shares in our “best efforts” offering (unless the shares were purchased at a discount from that price, and then that purchase price), reduced by any distributions of net sale proceeds that we designate as constituting a return of capital; or (B) the most recently disclosed estimated value per share. Accordingly, under the SRP, beginning with repurchases after March 20, 2018, and until we announce a new Estimated Per Share NAV, the “share price” will be equal to \$22.35 per share.

Additional Information Regarding the Valuation, Limitations of the Estimated Per Share NAV and CBRE Cap

Throughout the valuation process, the Board, the Business Manager and senior members of management reviewed, confirmed and approved the processes and methodologies used by CBRE Cap and their consistency with real estate industry standards and best practices.

The Valuation Report was based upon market, economic, financial and other information, circumstances and conditions existing prior to the Valuation Date and any material change in such information, circumstances or conditions may have a material effect on the Estimated Per Share NAV. CBRE Cap’s valuation materials were addressed solely to the Company to assist the Board in establishing the Estimated Per Share NAV. CBRE Cap’s valuation materials were not addressed to the public and should not be relied upon by any other person to establish an estimated value of the Company’s common stock. The Valuation Report does not constitute a recommendation by CBRE Cap to purchase or sell any shares of the Company’s common stock and should not be represented as such.

Although CBRE Cap reviewed the information provided by the Company and the Business Manager for reasonableness, and utilized some of the information in its valuation analyses, CBRE Cap and its affiliates are not responsible for the accuracy of the information provided to it by the Company and the Business Manager. Neither CBRE Cap nor any of its affiliates, including CBRE Valuation & Advisory Services, is responsible for the Board’s determination of the Estimated Per Share NAV, the Board’s determination of the repurchase price for shares under the Company’s SRP or the Board’s determination of the purchase price for shares under the Company’s DRP.

With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with CBRE Cap, CBRE Cap assumed that such forecasts and other information and data were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments (including subjective judgments) of management of the Company, and relied upon the Company to advise CBRE Cap promptly if any information previously provided became inaccurate or was required to be updated during its review. CBRE Cap assumes no obligation to update or otherwise revise these materials. In connection with its work in preparing valuation materials, CBRE Cap did not, and it was not requested to, solicit third party indications of interest for the Company.

In performing its analyses, CBRE Cap made numerous assumptions as of various points in time with respect to industry performance, general business, economic and regulatory conditions and other matters, many of which are necessarily subject to change and beyond the control of CBRE Cap and the Company. The analyses performed by CBRE Cap are not necessarily indicative of actual values, trading values or actual future results of the Company's common stock that might be achieved, all of which may be significantly more or less favorable than suggested by such analyses. The analyses do not purport to be appraisals or to reflect the prices at which the properties may actually be sold, and such estimates are inherently subject to uncertainty. The actual value of the Company's common stock may vary significantly depending on numerous factors that generally impact the price of securities, the financial condition of the Company and the state of the real estate industry more generally. Accordingly, with respect to the Estimated Per Share NAV, neither the Company nor CBRE Cap can give any assurance that:

- a stockholder would be able to resell his or her shares at the Estimated Per Share NAV;
- a stockholder would ultimately realize distributions per share equal to the Estimated Per Share NAV upon liquidation of the Company's assets and settlement of the Company's liabilities or a sale of the Company;
- the Company's shares would trade at a price equal to or greater than the Estimated Per Share NAV if the Company listed them on a national securities exchange;
- a third party would acquire the Company at a value equal to or greater than the Estimated Per Share NAV; or
- the methodology used to estimate the Estimated Per Share NAV would be acceptable to FINRA or under the Employee Retirement Income Security Act of 1974, as amended, for compliance with its reporting requirements.

In addition, the Estimated Per Share NAV does not reflect "enterprise value" which may include an adjustment for:

- the large size of our portfolio given that some buyers may be willing to pay more for a large portfolio than they are willing to pay for each property in the portfolio separately;
- any other intangible value associated with a going concern; or
- the possibility that our shares could trade at a premium or a discount to net asset value if we listed our shares on a national securities exchange.

CBRE Group, Inc. ("CBRE") is a Fortune 500 and S&P 500 company headquartered in Los Angeles, California and one of the world's largest commercial real estate services and investment firms (in terms of 2017 revenue). CBRE Cap, a subsidiary of CBRE, is a FINRA registered broker dealer firm that specializes in providing real estate financial services. CBRE Cap and its affiliates possess substantial experience in the valuation of assets similar to those owned by the Company and regularly undertake the valuation of securities in connection with public offerings, private placements, business combinations and similar transactions. For the preparation of the Valuation Report, the Company paid CBRE Cap a customary fee for services of this nature, no part of which was contingent relating to the provision of services or specific findings. Further, the Company and certain affiliates of the Business Manager have engaged affiliates of CBRE primarily for various real estate-related services, and the Company and the Business Manager anticipate that affiliates of CBRE will continue to provide similar real estate-related services in the future. In addition, the Company currently intends to use CBRE Cap to assist the Board in future determinations of the Company's Estimated Per Share NAV. The Company is not affiliated with CBRE, CBRE Cap or any of their affiliates. While the Company and affiliates or related parties of the Business Manager have engaged and may engage CBRE Cap or its affiliates in the future for valuations and commercial real estate-related services of various kinds, the Company believes that there are no material conflicts of interest with respect to the Company's engagement of CBRE Cap.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Correspondence to Financial Advisors and Broker-Dealers

Forward-Looking Statements

This Current Report on Form 8-K contains “forward-looking statements,” which are not historical facts, within the meaning of the Private Securities Litigation Reform Act of 1995. The statements may be identified by terminology such as “may,” “can,” “would,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “plan,” “seek,” “appear,” or “believe.” Such statements reflect the current view of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions related to certain factors including, without limitation, the uncertainties related to general economic conditions, unforeseen events affecting the real estate industry or particular markets, and other factors detailed under Risk Factors in our most recent Form 10-K as of December 31, 2017 filed on March 16, 2018 with the SEC. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. You should exercise caution when considering forward-looking statements and not place undue reliance on them. Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein. Except as required by federal securities laws, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Current Report on Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INLAND REAL ESTATE INCOME TRUST, INC.

Date: March 21, 2018

By: /s/ David Z. Lichterman
Name: David Z. Lichterman
Title: Vice President, Treasurer and
Chief Accounting Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Correspondence to Financial Advisors and Broker-Dealers

[\(Back To Top\)](#)

Section 2: EX-99.1 (CORRESPONDENCE TO FINANCIAL ADVISORS AND BROKER-DEALERS)

Exhibit 99.1

Subject: Inland Income Trust Announces Estimated Per Share Value

Inland Real Estate Income Trust, Inc. (Inland Income Trust or the Company) filed a Form 8-K to announce that its board of directors (Board) determined an estimated per share net asset value (NAV) of its common stock as of December 31, 2017, which also sets a new purchase price for shares under its Distribution Reinvestment Plan (DRP) and Share Repurchase Program (SRP).

- The estimated per share NAV of the Company's common stock is \$22.35¹ as of December 31, 2017. This represents a minor change of -1.2% from the prior valuation.
- The estimated per share NAV determined by the Board is the midpoint of the range of values provided by CBRE Capital Advisors, Inc. (CBRE Cap), a FINRA registered broker dealer firm that specializes in providing real estate financial services, in its valuation report.
- This valuation is a snapshot in time and is not indicative of the amount Inland Income Trust or its stockholders may receive if Inland Income Trust were to list its shares or liquidate its assets, now or in the future.

Helpful Links

- [Form 8-K](#)
- [Frequently Asked Questions \(FAQs\)](#)
- [Video: Calculating Inland Income Trust's Estimated Per Share Value](#)

¹ This valuation represents the estimated per share NAV as a snapshot in time and it will fluctuate over Inland Income Trust's life cycle. The estimated per share NAV does not represent the amount a stockholder would receive now or in the future for his or her shares of the Company's common stock. The estimated per share NAV is based on a number of assumptions, estimates and data that are inherently imprecise and susceptible to uncertainty and changes in circumstances, including changes to the value of individual assets as well as changes and developments in the real estate and capital markets, changes in interest rates, and changes in the composition of the Company's portfolio. Throughout the valuation process, the Board, the Company's business manager and senior members of management reviewed, confirmed and approved the processes and methodologies used by CBRE Cap and their consistency with real estate industry standards and best practices. The Board then reviewed the valuation report provided by CBRE Cap and determined the estimated per share NAV. Neither CBRE Cap nor any of its affiliates is responsible for the Board's determination of the estimated per share NAV or the Board's determination of the repurchase price for shares under the Company's SRP or the purchase price for shares under the Company's DRP.

Questions?

For additional information, please read the Company's Form 8-K filed March 21, 2018, contact your Inland sales representative or call Inland Investor Services at 800.826.8228.

[View Prospectus and other SEC Filings.](#)

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Important Information Regarding Inland Income Trust's Annual Valuation

Inland Income Trust is pleased to provide important information about its recent valuation.

Q1: What is the new per share value for Inland Income Trust?

A: Account statements will reflect the new estimated per share value of \$22.35 (post reverse stock split).

As a reminder, on January 16, 2018, we effected a 1-for-2.5 reverse stock split whereby every 2.5 shares of our issued and outstanding common stock were converted into one share of our common stock. All share information presented has been adjusted to reflect the reverse stock split.

Q2: How did Inland Income Trust estimate its per share value?

A: We used the appraised value methodology to determine an estimated per share value. The appraised value methodology, also known as the net asset value or NAV method, is based on the fair value of real estate, real estate related investments and other assets, less the fair value of total liabilities. We engaged an independent consultant to provide a range of estimated per share net asset values. Based on information provided by our consultant and taking into consideration the reasonableness of the valuation methodology, our Company's board of directors determined the estimated net asset value to be approximately \$793.4 million or \$22.35 per share.

Q3: How does the per share estimated value compare to the previously reported value?

A: The estimated per share NAV represents a minor change of -1.2% over the previous value. The acquisition of three properties in 2017, which lead to an increase in the value of the portfolio year-over-year, was offset by a decrease in the value of other certain properties acquired prior to 2017. In addition, the fair market value of debt increased due to additional mortgage loans incurred in 2017 plus a decrease in the fair market value adjustment of debt as a result of the decreasing remaining terms to maturity of existing mortgage loans as such loans approach their respective maturity dates. Overall, we are pleased with the performance of Inland Income Trust and our necessity-based focus given some of the challenges facing other types of retail.

Q4: Which independent consultant did Inland Income Trust retain to determine an estimation of the net asset value? Why were they selected?

A: Inland Income Trust selected CBRE Capital Advisors, Inc. (CBRE Cap) to perform the property appraisals and determine a range for the Company's estimated per share net asset value. CBRE Group, Inc. (CBRE) is a Fortune 500 and S&P 500 company headquartered in Los Angeles, California and one of the world's largest commercial real estate services and investment firms (in terms of 2017 revenue). CBRE Cap, a subsidiary of CBRE, is a FINRA registered broker dealer firm that specializes in providing real estate financial services. CBRE Cap, chosen based on a number of factors, including its expertise in valuation services and its, as well as its affiliates', breadth and depth of experience in real estate services, is familiar with our portfolio as it also provided an analysis of our assets and liabilities the last two years. Neither CBRE Cap nor any of its affiliates is responsible for the Company's board of director's determination of the estimated per share NAV or the Company's board of director's determination of the repurchase price for shares under the Company's SRP or the purchase price for shares under the Company's DRP.

Q5: Is there any change to the investment strategy?

A: No, the valuation does not affect the investment strategy or objectives of the portfolio. Inland Income Trust primarily has focused on acquiring retail properties. We have invested in joint ventures and may continue to invest in additional joint ventures or acquire other real estate assets such as office and medical office buildings, multi-family properties and industrial/distribution and warehouse facilities, if our management believes the expected returns from those investments exceed that of retail properties. We also may invest in real estate-related equity securities of both publicly traded and private real estate companies, as well as commercial mortgage-backed securities (CMBS).

Q6: Will the new estimated per share value affect quarterly distributions?

A: Our Company's board of directors declared cash distributions payable to stockholders of record at the close of business on March 30, 2018, in an amount equal to \$0.335 per share, which represents an annualized rate of 6% based on the estimated per share value. Distributions are not guaranteed and are established at the time and to the extent declared by the board.

Q7: Will this impact the Distribution Reinvestment Plan (DRP) or current Share Repurchase Program (SRP)?

A: Beginning with the quarterly distribution to stockholders to be paid in April, any reinvestment under the DRP will be executed at a price equal to \$22.35 per share. The price will remain at \$22.35 until a new estimated value is announced next year. Subject to the terms of the SRP, below is a chart outlining the repurchase price for each category of the SRP:

Share Repurchase Program	Percentage of Share Price	Repurchase Price (using new estimated per share value)
Anniversary/Year 1	92.5%	\$20.67
Anniversary/Year 2	95%	\$21.23
Anniversary/Year 3	97.5%	\$21.79
Anniversary/Year 4	100%	\$22.35
Death or Disability	100%	\$22.35

Q8: What is Inland Income Trust's strategy to increase stockholder value?

A: Our portfolio benefits from quality of location, quality of asset and quality of tenant. We own properties where consumers need to purchase necessity goods.

As always, the Inland Income Trust team focuses on creating value using active asset management. Active asset management involves implementing economies of scale at the property level, controlling costs and improving the retailer mix to offer a great overall shopping experience. Taking an active approach, from acquisition to disposition, adds value for tenants, increases NOI opportunity (income generated by a property after expenses), which may potentially increase investors' earnings.

Q9: Where can I find out more about the Inland Income Trust Valuation?

A: Contact your financial advisor, contact Inland Investor Services at 800-826-8228 or visit our website at www.inland-investments.com/inland-income-trust for more detailed information.