



Investment Strategy

The USQ Core Real Estate Fund is a closed-end interval fund.

- **Access**

The Fund seeks to provide both current income and capital appreciation through access to private real estate funds that are members of the NFI-ODCE NR Index.

- **Moderate Volatility**

The underlying private real estate funds invest in commercial properties with limited leverage and high occupancy rates, and are generally leased to tenants with high credit ratings.

- **Low Correlation**

Diversification benefits may be obtained when private real estate is added to a traditional equity/bond portfolio.

Market Overview

The first quarter of 2021 can be summarized by one of the most widely used expressions of the quarter — there is a light at the end of the tunnel! As another round of stimulus was passed and the vaccine rollout sped up, the markets reacted accordingly. The S&P 500 posted a 6.17% return with its impressive run higher into record territory for the quarter. Fixed income returns were challenged as the BBgBarc Aggregate Bond Index declined by -3.37%, as Treasury yields increased substantially. Publicly traded REITs (as measured by the MSCI US Real Estate Index NR) had another strong quarter posting a return of 8.50% for the quarter. With this quarterly return, the index has now recovered what it lost in the sharp downturn from the first quarter of last year. Core private real estate (as measured by the NFI-ODCE NR) continued its steady climb upward posting a 1.91% return for the quarter.

As a first order of business for the Biden administration, they executed on their intention to pass another round of stimulus which was signed into law in March of 2021. That, coupled with the dramatic increase in vaccinations across the U.S., gave investors quite a bit to be optimistic about. Additionally, many of the Covid-19 restrictions were lifted across the U.S., allowing businesses to resume and gave consumers the ability to return to some semblance of normalcy. The effects of these measures have already started to show up in much of the economic data with large numbers of people returning to work and jobless claims rapidly declining. We continue to be cautiously optimistic and believe this recovery has a long way to go. However, we also believe that any disruption in the rollout of the vaccines, whether it be vaccine hesitancy, manufacturing delays, or issues with administering the vaccine could derail progress.

As it relates to commercial real estate, the 1st quarter provided more clarity. Industrial properties continued to be the strongest performer, which is a continuation of what we experienced last year. With home prices increasing, mortgage rates rising, and an overall lack of supply in single family homes, we believe multi-family housing will likely benefit for the foreseeable future. There continues to be some skepticism around the office property type, however we are already seeing large companies announce a return to the office in the summer months. Additionally, the transactions that have taken place in office properties have supported valuations. Given these considerations, and the fact that rent collections have been very strong throughout the downturn, we believe any valuation declines in the office sector are largely behind us. Finally retail properties continued to see pressure with respect to valuations, however grocery anchored and necessity based retail, which are the majority of the retail properties found within the NCREIF Fund Index — Open-end Diversified Core Equity (NFI-ODCE), continued to show relative strength within the sector.

As we mentioned in previous quarters, we believe the prudent and diversified approach of the NFI-ODCE's managers has rewarded investors throughout the downturn and while aiming to reward investors throughout the recovery. Moving forward, we believe there is currently an abundance of capital available in the market, low interest rates, demand for core product, and income stability within the NFI-ODCE. That should bode well for the type of core commercial real estate in which the fund invests. Furthermore, while the most recent stimulus has been good for markets overall, it has introduced worries of inflation. Given that commercial real estate has traditionally been a good hedge against inflation we believe commercial real estate should be a consideration for any well-diversified portfolio.

We appreciate your investment in the Fund and wish you all the best as we continue to make progress to a return to normalcy.

(continued on next page)



Quarterly Fund Highlights

The Fund continued delivering on its objective of providing a low-correlated return stream with current income and capital appreciation.

The Fund had a positive return of 1.46% and maintained our quarterly distribution since inception.

The Fund has grown substantially over the past quarter as a result of the strong performance and low correlation to most asset classes.

The Fund seeks diversification across property types and geographies by investing its private real estate allocation exclusively in private funds comprising the NFI-ODCE, which has served the Fund's shareholders well so far through this downturn and we believe will offer an improved chance of resilience and recovery going forward.

Returns for periods ended 3/31/2021

| | Annualized Total Return | | | | | |
|--|-------------------------|--------|--------|--------|--------|------------------------------|
| | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | Since Inception 9/27/2017 |
| Class I Shares: USQIX | 1.46% | 1.46% | 0.71% | 3.67% | N/A | 3.90% |
| S&P 500 TR | 6.17% | 6.17% | 56.35% | 16.78% | 16.29% | 16.22% |
| Bloomberg Barclays U.S. Agg. Bond Index TR | -3.37% | -3.37% | 0.71% | 4.65% | 3.10% | 3.67% |
| MSCI U.S. REIT NR Index | 8.50% | 8.50% | 36.13% | 8.18% | 4.02% | 4.85% |
| NFI-ODCE NR | 1.91% | 1.91% | 1.49% | 3.97% | 5.26% | 4.51% |

The performance quoted represents past performance. Past performance does not guarantee future results. The current performance may be lower or higher than the performance data quoted. The investment return and principal value of the Fund will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month end may be obtained by calling 1-833-877-3863.

Fund returns reflect actual fee waivers and reimbursement of expenses for the time periods represented. Had fees and expenses not been waived and reimbursed, returns would have been lower. See the prospectus for more information on current fees and expenses. All investing involves risk, including the possible loss of principal. Performance for periods less than one year is not annualized. Since Inception performance of the NFI-ODCE NR is as of 10/2/2017, due to quarterly calculation of the index. NFI-ODCE NR performance is preliminary and subject to change. Final performance is typically not available from NCREIF until up to 45 days after quarter-end; to distribute the Quarterly Review sooner, preliminary performance for NFI-ODCE NR has been shown.

Fund Facts

| | Ticker | CUSIP | Inception Date | Investment Minimum* | 12b-1 Fee | Net Expense Ratio |
|----------------|--------|-----------|----------------|---------------------|-----------|-------------------|
| Class I Shares | USQIX | 90351Y101 | 9/27/2017 | \$25,000 | None | 0.96% |

Class I gross expenses are 2.43% and net expenses are 0.96%. Net fees are based on a contractual fee waiver and reimbursement agreement that will continue indefinitely until terminated by mutual agreement of the Adviser and the Fund, including consent of the Fund's Board.

*Investment minimums are waived for certain investors. See the Prospectus for additional details.

Definitions

Correlation is a statistic that measures the extent to which two asset classes (or securities) move in relation to each other. Two asset classes that have a high correlation move in the same direction as markets rise and fall. Two asset classes with negative or inverse correlation move in opposite directions as markets rise and fall. The closer the correlation statistic between two asset classes is to zero, the more independently the asset classes move with respect to each other.

Indexes

BBgBarc U.S. Agg Bond Index The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged market value-weighted index for U.S. dollar denominated investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

The MSCI US REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs. With 139 constituents, it represents about 99% of the US REIT universe and securities are classified in the Equity REITs Industry (under the Real Estate sector) according to the Global Industry Classification Standard (GICS®). It however excludes Mortgage REIT and selected Specialized REITs.

NFI-ODCE The NCREIF Fund Index — Open-end Diversified Core Equity (NFI-ODCE) consists of private real estate equity funds that meet certain criteria with respect to such things as leverage (less than 35%), operations (at least 75% invested in properties that are 75% or more leased), sector and geographic diversification, and investment in core real estate (at least 75% in office, industrial, apartment and retail properties)..

S&P 500 Index S&P 500 Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

Fund holdings and sector and geographic allocations are subject to change and are not recommendations to buy or sell securities. One cannot invest directly in an index.



USQ Core Real Estate Fund

Quarterly review
1Q 2021 (continued)

Risk Disclosures

Investing in the Fund's shares involves substantial risks, including the risks set forth in the "Risk Factors" section of this prospectus, which include, but are not limited to the following: Investing in real estate entails special risks, including (i) changes in general economic and market conditions; (ii) changes in the value of real estate properties; (iii) risks related to local economic conditions, overbuilding and increased competition; (iv) increases in property taxes and operating expenses; (v) changes in zoning laws; (vi) casualty and condemnation losses; (vii) variations in rental income, neighborhood values or the appeal of property to tenants; (viii) the availability of financing and (ix) changes in interest rates and leverage. There are also special risks associated with particular real estate sectors, or real estate operations generally. The Fund is not intended to be a complete investment program, but instead as a way to help investors diversify into real estate. Diversification does not ensure a profit or guarantee against a loss. There currently is no secondary market for the Fund's shares and the Adviser does not expect that a secondary market will develop. Limited liquidity is provided to shareholders only through the Fund's quarterly Repurchase Offers for no less than 5% of the Fund's shares outstanding at net asset value. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly Repurchase Offer.

Before investing in the Fund, you should carefully consider the Fund's investment objectives, risks, fees and expenses. For a copy of a prospectus which contains this and other information, please visit our website at www.usqfunds.com or call 1-833-USQ-FUND [1-833-877-3863]. Please read the Fund's prospectus carefully before investing.

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