INPOINT
COMMERCIAL REAL ESTATE INCOME, INC.

10 Reasons to Consider InPoint, a Commercial Mortgage REIT

In all market environments, investors seek alternative and reliable sources of income. Commercial real estate (CRE) mortgages, or credit, may be a compelling option to support ongoing income needs, specifically during times of market volatility. It is a favorable time to consider an allocation to CRE credit with more than $2.1 trillion in U.S. CRE loans due to mature by 2025. InPoint Commercial Real Estate Income, Inc. (InPoint) is a commercial mortgage real estate investment trust (REIT) that originates, acquires and manages a diversified portfolio of CRE investments primarily comprised of floating-rate CRE loans.

Why consider an investment in InPoint?

1. **Reliable Income Potential.** InPoint offers reliable income potential relative to unsecured or lower priority debt and equity investments. The cornerstone of InPoint's portfolio is contractual payments from commercial borrowers, which historically have provided relatively consistent cash flows on average to lenders. If property values drop, the borrower may lose some equity but, in order to protect their overall real estate investment, they may still be incentivized to continue to make loan payments to avoid default and foreclosure. Nonetheless, distributions from InPoint are not guaranteed and when they occur they may constitute a return of capital rather than a payment of income to investors.

2. **Established Portfolio.** Formed in 2016, InPoint has established a mature CRE credit portfolio primarily comprised of first mortgage loans and credit loans. The underlying real estate is based in the U.S. and well-diversified by property type, owner/operator, tenant and geography. It is important to note that there are inherent risks in any investment objective and an individual should be able to withstand the loss of the entire investment.

3. **Lower Correlation Benefits.** Too much correlation in a portfolio, especially in volatile markets, may result in unnecessary risk and asset classes behaving alike. Alternative investment solutions, such as CRE credit, have behaved differently than equity investments and may mitigate negative equity movements and improve risk-adjusted returns.

4. **Historical Higher Total Returns with Less Volatility.** For over two decades, CRE mortgages have provided a higher total return with less volatility than the investment grade corporate bond market. From December 31, 1996 through March 31, 2021, the LifeComps Commercial Mortgage Loan Index delivered a 6.7% average annual total return with 3.6% standard deviation, compared to a 6.1% average annual return for the Barclays Investment Grade Corporate Bond Index with 5.5% standard deviation.[1]

5. **Offset Market Volatility.** Public equity markets are unpredictable. Because InPoint is not a traded security, its value does not fluctuate with the equity markets. The value of a CRE credit REIT, however, may shift due to changes in interest rates, loan prepayment or other risks associated with this type of product. To potentially minimize portfolio volatility, consider diversifying with CRE credit to hedge against turbulent equity markets.

6. **Diversification Opportunity.** Floating-rate CRE credit may be a strategic portfolio consideration to help diversify assets. Modern portfolio theory advocates diversification to minimize overall risk. In other words, investors may reduce overall portfolio risk by allocating among a variety of investments to weather different market conditions.

7. **Attractive Investment Solution.** Assets under management (AUM) allocated to alternative investment solutions grew in the first six months of 2020, and we believe advisors can use alternative asset classes to build a portfolio that can add value in both bull and bear market environments. Preqin forecasts that private real estate AUM will grow from $1.05 trillion at the end of 2020 to $1.24 trillion in 2025, a compound annual growth rate of 3.4% per year, even taking into consideration Preqin's belief that there will likely be an extended period of demand uncertainty for the two largest institutional CRE asset classes (retail and office).[2]

8. **Strong Demand for Nonbank Lenders.** Debt funds, REITs and pensions accounted for 38.7% of non-agency originations in Q2 2021, up from 30.6% in the first quarter and only 6.5% a year earlier. This increase was fueled by strong demand for bridge financing. Banks, however, saw their share of the lending market drop to 24.3% in Q2 2021 from roughly 70% a year earlier.[3]

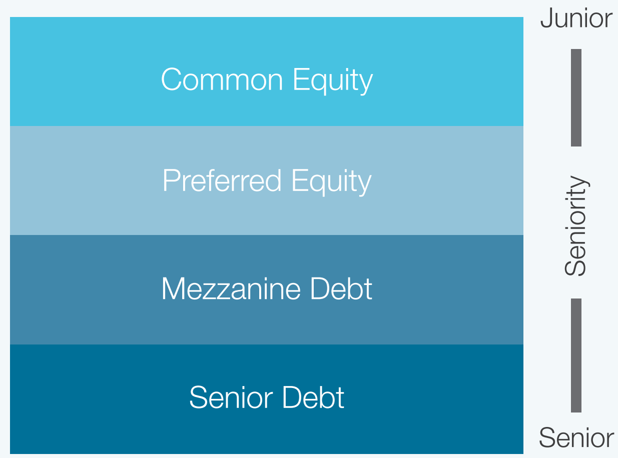
9. **Favorable Investment Environment.** More than $2.1 trillion of U.S. CRE loans are set to mature by 2025, creating attractive loan origination opportunities for alternative lenders.[4] Our portfolio managers see more demand than supply, which bodes well for investors.

10. **CRE Mortgage Loans Have Performed Well Across Market Cycles.** CRE net charge offs have averaged 0.38% over 25 years ended December 31, 2020. Historically, CRE loan net charge-offs have only spiked during major financial crises, and loans have performed well overall through up and down economic cycles such as the late 1980s Savings & Loan crisis and the 2008 Great Recession. [5]

How does a commercial mortgage REIT work?

Some CRE credit investments can be confusing to investors because credit is also called debt and can be associated with borrowing. However, a common form of investment is in a CRE credit or commercial mortgage REIT. In this instance the CRE credit REIT serves as the lender and generates portfolio income based on the spread between the interest income collected on mortgage assets and funding costs. The typical goal of these types of products is to primarily originate loans that are in a senior position within the capital structure. Therefore, if property values drop, the equity portion may lose value, but the borrower frequently continues to make loan payments to protect their equity portion. However, it should be noted that CRE credit REITs are also subject to default risk, which means the borrower may stop making loan payments, and that would negatively affect the performance of the loan. So, while credit is senior to equity in the capital structure, it does not prevent CRE credit REITs from suffering losses.

Capital Stack



Footnotes

[1]All data as of March 31, 2021. Past performance is not a guarantee of future results. Benchmarks shown are for illustrative purposes only. An investment cannot be made directly in an Index. InPoint's performance may be lower or higher and differ substantially than the indices shown. CRE first mortgages are represented by the LifeComps Commercial Mortgage Loan Index which measures actual private commercial mortgage market loan cash flow and performance data collected quarterly from participating life insurance companies since 1996. Commercial mortgages may be subject to default risk. Investment Grade Corporate Bonds are represented by the Bloomberg Barclays Investment Grade Corporate Bond Index, which measures the U.S. dollar denominated investment grade, fixed-rate, taxable corporate bond market. Corporate bonds may be subject to default and interest rate risk.

[2]Preqin, Alternatives in 2021.

[3]Green Street Commercial Mortgage Alert. August 20, 2021.

[4]Trepp – Based on Federal Reserve Flow of Funds Data. September 2019. There is no guarantee that market conditions will continue to be favorable.

[5]Board of Governors of the Federal Reserve System: Charge-Off and Delinquency Rates on Loans and Leases at Commercial Banks. (http://www.federalreserve.gov/releases/chargeoff/chgallsa.htm). Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (1991-2021: FFIEC 031 through 034; 2001-2020: FFIEC 031 & 041). There is no guarantee that market conditions will continue or be profitable. Data available upon request..

Important Risk Factors to Consider

Investing in our common stock involves a high degree of risk. You should purchase these securities only if you can afford the complete loss of your investment. You should carefully review the "Risk Factors" section of the prospectus for a more detailed discussion. Some of the more significant risks relating to an investment in our shares include:

- We have a limited operating history, and there is no assurance that we will achieve our investment objectives.
- This is a "blind pool" offering. You will not have the opportunity to evaluate our future investments before we make them.
- There is no current public trading market for shares of our common stock, and we do not expect that such a market will ever develop. Therefore, repurchase of shares by us pursuant to our share repurchase plan will likely be the only way for you to dispose of your shares, and there can be no assurance that our share repurchase plan will be available at any given time, as our board of directors may determine to modify, suspend or terminate the plan based on economic conditions or for any other reason it deems appropriate. Our board of directors suspended our share repurchase plan on March 24, 2020 following the onset of the COVID-19 pandemic and subsequently reinstated it for all stockholders effective July 1, 2021. Our stockholders may receive less than the price they paid for their shares when they sell them to us pursuant to our repurchase program.
- When our share repurchase plan is in effect, stockholders who have held their shares for at least one year have the opportunity to request that we repurchase their shares on a monthly basis, but we are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month at our discretion. In addition, repurchases will be subject to available liquidity and other significant restrictions. As a result, our shares may have only limited liquidity even during periods when our share repurchase plan is in effect.
- We cannot guarantee that we will make distributions, and if we do, such distributions have been and may again be funded from sources other than earnings and cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources.
- The purchase and repurchase price for shares of our common stock are generally based on our prior month's NAV and are not based on any public trading market. A substantial portion of our assets consists of CRE debt that is valued by our Advisor, with the assistance of the Sub-Advisor, using factors that are periodically validated by an independent third party. The valuation of our investments is inherently subjective, and our NAV may not accurately reflect the actual price at which our investments could be liquidated on any given day. The NAV per share, if calculated as of the date on which you make your subscription request or repurchase request, may be significantly different than the transaction price you pay or the repurchase price you receive.
- We have no employees and are dependent on the Advisor and the Sub-Advisor to conduct our operations. The Advisor and the Sub-Advisor will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among us and Other Sound Point Accounts, the allocation of time of their investment professionals and the substantial fees that we will pay to the Advisor and that the Advisor will pay to the Sub-Advisor.
- This is a "best efforts" offering. If we are not able to raise a substantial amount of capital on an ongoing basis, our ability to achieve our investment objectives could be adversely affected.
- Principal and interest payments on our borrowings will reduce the amount of funds available for distribution or investment in our targeted assets.
- If we fail to maintain our qualification as a REIT and no relief provisions apply, we will have to pay corporate income tax on our taxable income (which will be determined without regard to the dividends-paid deduction available to REITs) and our NAV and cash available for distribution to our stockholders could materially decrease.
- The COVID-19 pandemic has adversely affected the economy and our investments and operations, including decreases in the fair value of the collateral underlying our investments, and may have additional adverse effects in the future.
- We own the Renaissance Chicago O'Hare Suites Hotel, and for so long as we own hotels or invest in loans secured by hotels and securities collateralized by hotels, we will be exposed to the unique risks of the hospitality sector, including seasonality, volatility and the severe reduction in occupancy caused by the COVID-19 pandemic.
- We use short-term borrowings to finance our investments, which exposes us to increased risks associated with decreases in the fair value of the underlying collateral resulting from adverse changes in the financial markets, including as a result of the COVID-19 pandemic.

Cautionary note regarding forward-looking statements: This communication includes forward-looking statements, including, statements about our plans, strategies and objectives. You can generally identify forward-looking statements by our use of terms such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words. These statements include our plans and objectives for future operations, including plans and objectives relating to future growth and availability of funds, and are based on current expectations that involve numerous risks and uncertainties, some of which are summarized above. Assumptions relating to these statements involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to accurately predict and many of which are beyond our control. Although we believe the assumptions underlying the forward-looking statements, and the forward-looking statements themselves, are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that these forward-looking statements will prove to be accurate. Our actual results, performance and achievements may be materially different from that expressed or implied by these forward-looking statements. In light of the significant uncertainties inherent in forward-looking statements, the inclusion of this information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved. You should carefully review the "Risk Factors" section of our prospectus for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal or state securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

 This material has been prepared by InPoint and distributed by Inland Securities Corporation, member FINRA/SIPC, dealer manager for InPoint. **Publication Date: 8/25/2021**