

Gray Harbor Government Income REIT

September 2024

Gray Harbor Government Income REIT acquires, develops, and manages federal government leased real estate. It seeks long-term growth of capital, and tax-deferred, stable income, by investing in single-tenant properties leased to mission-critical, taxpayer-facing, essential service federal agencies backed by the full faith and credit of the United States of America.

<p>U.S. Government Credit Risk</p> <p>We focus 100% on single-tenant properties with leases signed and backed by the United States of America.</p>	<p>U.S. Equity-like Total Returns</p> <p>We seek to deliver capital growth and annual cash distributions to meet or exceed historical stock market returns over long-term periods.</p>	<p>Low Monthly Volatility</p> <p>Our consistent monthly performance is primarily supported by distributions generated from the durable cash flow of lease payments from the U.S. Government.</p>	<p>Uncorrelated Returns</p> <p>Our federal government backed leases are spread out between <1 to up to 20 years allowing for stable performance in both volatile and non-volatile financial markets.</p>	<p>Tax-Deferred Distributions</p> <p>Since inception, 100% of Gray Harbor Government Income REIT's distributions have been return of capital and not taxed as ordinary income.</p>
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Total Returns⁽¹⁾

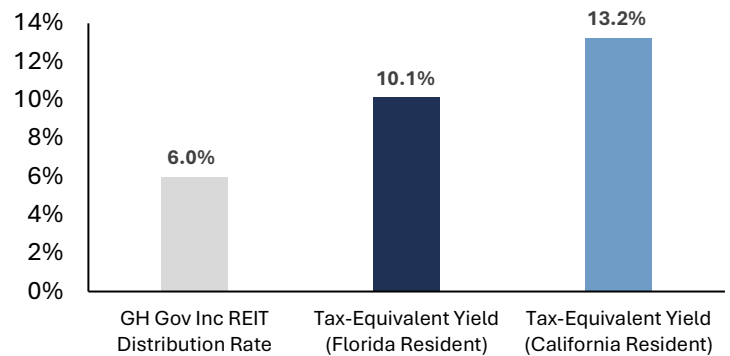
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	1.19%	0.50%	0.50%	0.50%	0.50%	2.69% ⁽²⁾	0.50%	0.50%	0.50%				7.4%
2023	1.19%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	5.34% ⁽³⁾	10.9%
2022	1.19%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	6.0%
2021		0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	4.8%

Total Returns - Performance Statistics⁽¹⁾

	GH Govt Income REIT	S&P 500 TR Index
Annualized Total Return	7.4%	14.8%
Standard Deviation	2.9%	16.2%
Sharpe Ratio	1.5	0.7
Worst % Drawdown (Month)	0.0%	-9.2%
Worst % Drawdown (Total)	0.0%	-24.5%
% of Positive Months	100%	68%
% of Negative Months	0%	32%
Correlation to S&P 500	0.13	N/A

Performance Statistics are calculated since inception of Gray Harbor Government Income REIT

Annualized Distribution Rate with Tax-Equivalent Yields^(4, 5)



Summary Terms

Minimum Investment	Management Fee	Incentive Fee	Preferred Return	Hard Lock-up	Soft-Lock-Up	Redemption Notice
\$100,000	0.75% (gross)	20%	6.0%	One-Year	Years 2, 3 and 4	180 days

(1) The performance shown represents fund-level, total return performance of the Gray Harbor Government Income REIT since inception and includes unrealized NAV growth and cash distributions. Individual results may vary due to timing of investment, reinvestments of dividends, redemptions, and other factors. 2021 represents a partial year of performance. Past performance is not indicative of future results.

(2) The Board of Gray Harbor Government Income REIT approved a change in net asset value ("NAV") of the Company's assets as of June 30, 2024, based upon an independent third-party NAV appraisal. The Offering price per Share and the Share NAV increased from \$1,049.00 to \$1,072.00.

(3) The Board of Gray Harbor Government Income REIT approved a change in net asset value ("NAV") of the Company's assets as of December 31, 2023, based upon an independent third-party NAV appraisal. The Offering price per Share and the Share NAV increased from \$1,000.00 to \$1,049.00.

(4) Reflects the most recent month's distribution annualized and divided by the prior month's net asset value, which is inclusive of all fees and expenses. Distributions are not guaranteed and may be funded from the sources other than cash flow from operations. Monthly distributions shown are calculated at a fund level and are shown on a monthly basis. Actual investor distributions are accrued on a daily basis and paid monthly. Individual investor distributions will vary.

(5) This assumes that Gray Harbor Government Income REIT does not generate taxable income. There is no guaranty that Gray Harbor Government Income REIT's income will not be taxable income in the future. The tax-equivalent yield refers to the pre-tax distribution rate an investor in a hypothetical taxable investment would need to receive to match the 6.0% after-tax distribution rate of Gray Harbor Government Income REIT's shares. 100% of Gray Harbor Government Income REIT's dividend distributions since inception have been paid as return of capital. Each individual's tax situation varies. Please seek guidance from a tax advisor. The information presented here should not be construed as investment, legal or tax advice. Return of capital distributions reduce an investor's basis in the year received, and generally defer tax liabilities until the underlying position is sold, and an investor may be subject to higher capital gains taxes as a result of a lower cost basis due to the return of capital distributions. Items such as depreciation and amortization, which are non-cash items, can reduce taxable income for investors in the Gray Harbor Government Income REIT. The Tax Equivalent Yield (Florida Resident) shown assumes a Florida investor who is currently invested in Gray Harbor Government Income REIT with a maximum federal income tax rate of 37%, net investment income tax of 3.8%, and 0% state income tax rate. The Tax Equivalent Yield (California Resident) shown assumes a California investor who is currently invested in Gray Harbor Government Income REIT with a maximum federal income tax rate of 37%, net investment income tax of 3.8%, and 14.4% state income tax rate. While Gray Harbor Capital Government Income REIT's current distributions are all classified as return of capital, there is no assurance or guarantee that this classification will continue in future time periods. The ordinary income tax rate is subject to change in the future. The illustrative example does not include local taxes. Investors could be subject to local income taxes imposed by their municipalities which could lower the after-tax distribution rate received by the investor. Fixed income investments are not the same as an investment in Gray Harbor Government Income REIT's shares and may have other advantages, including other tax considerations, and individual investors should consult their tax advisors. Once all of an investor's capital has been returned, any additional distributions that are not dividends will be treated as capital gains.

For Accredited Investor Use Only

Risk Factors

All investments involve risk. Risks associated with the common stock of the REIT include the following:

An investment in the common stock is speculative, illiquid and involves a high degree of risk and there is no guarantee that investors will receive any return.

The COVID-19 virus has created economic instability and disruption, and the REIT cannot be certain the extent it will impact the REIT's operations or the value of the REIT's assets, and therefore the value of the Shares.

The common stock being offered to investors is non-voting common stock and the holders of the REIT's voting common stock are affiliated with the officers and directors of the REIT.

The REIT may borrow funds to make distributions to the holders of the common stock.

Commercial real estate industry risks, including competition, potential environmental risks and economic volatility.

There are risks related to leasing property to the Government Services Administration.

There are substantial restrictions on the transferability of the common stock.

There is a lack of liquidity or market for the common stock and a lack of a fixed liquidation date.

The REIT is authorized, and may, issue shares of stock that have preferences that are senior to the shares of common stock.

The REIT and its advisor are newly formed with no operating history and the advisor has no experience advising a REIT.

There is uncertainty as to the projects to be acquired and the amount and type of leverage that will be used to acquire such projects. The REIT has no binding financing commitments.

Substantial fees and distributions that will be paid to the REIT's advisor and its affiliates, which have not been determined by arm's-length negotiations.

Conflicts of interest exist between the REIT and the REIT's advisor and its affiliates.

The holders of the common stock must rely on the advisor to select the properties to be acquired by the REIT and must rely on the advisor and its affiliates to manage the properties.

There are a number of tax risks. Please consult your tax advisor prior to making an investment. General risks of investment in the GSA properties include the following:

Unspecified investments: The REIT has not identified any GSA properties to be acquired. No assurance can be given that the REIT will be able to acquire suitable GSA properties or that the objectives will be achieved.

Uncertainty as to the Extent of Diversification: Diversification in the number of GSA Properties acquired and geographic location is uncertain.

Lack of Asset Class Diversification: While the REIT intends to invest in a significant number of GSA Properties occupied by different agencies across several geographical locations and markets, it will not invest in a diverse set of asset classes.

Approval of GSA to Assumption of Leases: The REIT will be required to obtain the consent of the GSA in order to assume the rights and obligations of the landlord under the GSA leases at the GSA Properties. If the GSA does not approve the Company's assumption of the lease, the ownership of the applicable GSA Property could be jeopardized.

Illiquidity of Real Estate Investments: The ownership of the GSA Properties will be relatively illiquid.

Terrorist Attacks: Because the primary tenant for the GSA Properties will be the federal government, the GSA Properties may have a higher risk of terrorist or other attacks (whether domestic or foreign) than similar properties that are leased to nongovernment tenants.

Prior to investing, please review the PPM and important risk disclosures contained within it. This is not an offer to sell securities. An offer to sell the shares of stock of Gray Harbor Government Income REIT, Inc. (the "REIT") may be made on pursuant to the Private Placement Memorandum dated September 1, 2020, as supplemented (the "Memorandum").

The information contained herein is qualified in its entirety by the Memorandum. The offering of shares (the "Offering") is being made by means of the Memorandum only to accredited investors who meet minimum accreditation requirements, as well as suitability standards as determined by a qualified broker-dealer or investment advisor. All prospective investors must read the Memorandum, including the "Risk Factors," prior to investing.

The Offering will not be registered under the Securities Act of 1933 or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of such laws. Certain disclosure requirements which would have been applicable if the shares were registered are not required to be met. Neither the Securities and Exchange Commission nor any other federal or state agency has passed upon the merits of or given their approval to the shares, the Offering or the Memorandum. Securities offered through Cobalt Capital, Inc., member FINRA, SIPC, 600 Wilkinson Street, Suite 300, Orlando, FL 32803.

Historical performance results presented herein are net of management and performance fees charged to current investors. Yield represents income received excluding return of investment capital and realized gains and is expressed as a percentage of net asset value. Prospective investor returns may significantly vary from that of the current investors. Past performance does not predict future results. This letter is not an offer to sell securities, nor is it intended to be a description of all material factors an investor should consider before investing in Gray Harbor Government Income REIT, Inc. (the "REIT"). An offer to sell the shares of common stock in the REIT may only be made pursuant to the Private Placement Memorandum dated September 15, 2020, as supplemented (the "Memorandum").

The information contained herein is qualified in its entirety by the Memorandum. The offering of shares (the "Offering") is being made by means of the Memorandum only to accredited investors who meet minimum accreditation requirements, as well as suitability standards as determined by a qualified broker-dealer or investment advisor. All prospective investors must read the Memorandum, including the "Risk Factors," prior to investing. The Offering will not be registered under the Securities Act of 1933 or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of such laws. Certain disclosure requirements which would have been applicable if the shares were registered are not required to be met. Neither the Securities and Exchange Commission nor any other federal or state agency has passed upon the merits of or given their approval to the shares, the Offering or the Memorandum.

Each investor's tax considerations vary. Consult a tax advisor. No information provided herein should not be construed as investment, tax, accounting or legal advice.

Return of capital reduces a shareholder's tax basis in the year the distribution is received by the shareholder, and typically defers taxes on that portion until the shares are sold by the shareholder. Due to certain non-cash deductions, such as depreciation and amortization, distributions paid have been classified as return of capital since inception of the strategy.

Securities offered through Cobalt Capital, Inc., member FINRA/SIPC, 250 International Parkway, Suite 270, Lake Mary, FL 32746

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