



**BLACK CREEK® GROUP**

## Black Creek Industrial REIT IV



# What Drives the Need for Distribution Warehouses?

This sales and advertising literature must be read in conjunction with the Black Creek Industrial REIT IV Inc. (BCI IV) prospectus in order to understand fully all of the implications and risks of the offering of securities to which it relates. This document must be preceded or be accompanied by the BCI IV prospectus, which contains important information about BCI IV. This is neither an offer to sell nor a solicitation of an offer to buy the securities described in the BCI IV prospectus. The offering is made only by the BCI IV prospectus. Neither the Securities and Exchange Commission (SEC) nor any other state securities regulator has approved or disapproved of the securities or determined if the prospectus is truthful or complete. In addition, the Attorney General of the State of New York has not passed on or endorsed the merits of the offering. Any representation to the contrary is unlawful. Unless specifically noted, none of the properties pictured are owned by BCI IV, Industrial Property Trust Inc. (IPT) or any other affiliate of Black Creek Group.

# Risk Factors

- Past performance is not a guarantee of future results. Investing in shares of Black Creek Industrial REIT IV's (BCI IV) common stock involves a high degree of risk.
- REITs are not suitable for all investors. BCI IV is subject to various risks related to owning real estate, including changes in economic, demographic and real estate market conditions. Due to the risks involved in the ownership of real estate and real estate-related investments, the amount of distributions BCI IV may pay to stockholders in the future, if any, is uncertain, there is no guarantee of any return on investment and stockholders may lose the amount they invest.
- BCI IV anticipates that its investment in real estate assets will be primarily concentrated in the industrial real estate sector and that its investments will be concentrated in the largest distribution and logistics markets in the United States. Such industry concentration may expose BCI IV to the risk of economic downturns in this sector to a greater extent than if its business activities included investing a more significant portion of the net proceeds of the offering in other sectors of the real estate industry; and such market concentrations may expose BCI IV to the risk of economic downturns in these areas. In addition, if BCI IV's tenants are concentrated in any particular industry, any adverse economic developments in such industry could expose BCI IV to additional risks. These concentration risks could negatively impact BCI IV's operating results and affect its ability to make distributions to its stockholders.
- Further, investing in BCI IV's common stock involves additional and substantial risks specific to BCI IV, including, among others, that:
  - i. BCI IV has no prior operating history and there is no assurance that it will be able to achieve its investment objectives.
  - ii. There is no public trading market for shares of BCI IV's common stock, and BCI IV does not anticipate that there will be a public trading market for its shares, so redemption of shares by BCI IV will likely be the only way to dispose of stockholders' shares. BCI IV's share redemption programs will provide stockholders with the opportunity to request that BCI IV redeems stockholders' shares on a monthly basis, but BCI IV is not obligated to redeem any shares and may choose to redeem only some, or even none, of the shares that have been requested to be redeemed in any particular month, in its discretion. In addition, redemptions will be subject to available liquidity and other significant restrictions. Further, BCI IV's board of directors may modify, suspend or terminate its share redemption programs if it deems such action to be in BCI IV's best interest and the best interest of its stockholders. As a result, BCI IV's shares should be considered as having only limited liquidity and at times may be illiquid.
  - iii. A portion of the proceeds received in this offering is expected to be used to satisfy redemption requests. Using the proceeds from this offering for redemptions will reduce the net proceeds available to retire debt or acquire properties, which may result in reduced liquidity and profitability or restrict BCI IV's ability to grow its NAV.
  - iv. The transaction price will not accurately represent the value of BCI IV's assets at any given time and the actual value of a stockholder's investment may be substantially less. BCI IV's board of directors arbitrarily determined the initial transaction price in its sole discretion and it is not based on the value of any assets BCI IV may own when a stockholder purchases shares in this offering. Until BCI IV commences monthly valuations, the transaction price will be fixed and will not be adjusted based on the underlying value of any assets it may own. Once BCI IV commences monthly valuations, the transaction price generally will be based on BCI IV's most recently disclosed monthly NAV of each class of common stock (subject to material changes as described above) and will not be based on any public trading market. In addition, the transaction price will not represent BCI IV's enterprise value and may not accurately reflect the actual prices at which BCI IV's assets could be liquidated on any given day, the value a third party would pay for all or substantially all of BCI IV's shares, or the price at which BCI IV's shares would trade on a national stock exchange. Further, BCI IV's board of directors may amend its NAV procedures from time to time.
  - v. This is a "blind pool" offering; stockholders will not have the opportunity to evaluate all of the investments BCI IV will make before it makes them.
  - vi. This is a "best efforts" offering and if BCI IV is unable to raise substantial funds, then BCI IV will be more limited in its investments.
  - vii. BCI IV may change its investment policies without stockholder notice or consent, which could result in investments that are different from those described in this prospectus.
  - viii. Some of BCI IV's executive officers, directors and other key personnel are also officers, directors, managers, key personnel and / or holders of an ownership interest in the Advisor, the Dealer Manager, and / or other entities related to BCI IV Advisors Group LLC, the parent of the Advisor and the sponsor of this offering, or the "Sponsor." As a result, they face conflicts of interest, including but not limited to conflicts arising from time constraints, allocation of investment and leasing opportunities, and the fact that certain of the compensation the Advisor will receive for services rendered to BCI IV is based on BCI IV's NAV, the procedures for which the Advisor assists BCI IV's board of directors in developing, overseeing, implementing and coordinating. BCI IV expects to compete with certain vehicles sponsored or advised by affiliates of direct and indirect owners of the Sponsor for investments and certain of those entities may be given priority with respect to certain investment opportunities.
  - ix. The amount of distributions BCI IV may make is uncertain. BCI IV may pay distributions from sources other than cash flow from operations, including, without limitation, from borrowings, the sale of assets, or offering proceeds. The use of these sources for distributions may decrease the amount of cash BCI IV has available for new investments, share redemptions and other corporate purposes, and could reduce stockholders' overall return.
  - x. If BCI IV fails to qualify as a REIT, it would adversely affect its operations and its ability to make distributions to its stockholders.
- This material contains forward-looking statements, including statements concerning investment objectives, strategies, other plans and objectives for future operations or economic performance that are based on BCI IV's current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties, as described in more detail in the "Risk Factors" section of the prospectus and in this sales material. Any of these statements could prove to be inaccurate, and actual events or investments and results of operations could differ materially from those expressed or implied in the forward-looking statement. Investors are cautioned not to place undue reliance on any forward-looking statements.
- DPF is also sponsored by affiliates of Black Creek Group. DPF sold its common stock at a price of \$10.00 per share in two fixed-priced primary public offerings through September 2009 and announced a net asset value per share of \$7.54 as of May 31, 2017. DPF offers share redemption programs that limit the number of shares to be redeemed during any quarter. For each year since 2009, DPF received redemption requests from Class E stockholders that exceeded the availability under DPF's Class E share redemption program. During this period, DPF redeemed, on a pro rata basis, a percentage of the Class E shares requested to be redeemed for each quarter (exclusive of requests made in connection with the death or disability of a stockholder) which ranged from approximately 1.0% to 26.1%. In addition, DPF lowered its quarterly distribution rate from \$0.15 to \$0.125 per share for the first three quarters of 2012, and further lowered it to \$0.0875 per share for the fourth quarter of 2012 through the fourth quarter of 2014. In the first quarter of 2015, DPF raised the quarterly distribution rate to \$0.09 per share and DPF has paid quarterly distributions at that rate through March 31, 2017. Effective since December 2015, redemptions under the Class E share redemption program are only be available in the event of the death or disability of a stockholder, subject to certain limitations. The DPF board of directors will evaluate each quarter whether to make liquidity available to Class E stockholders desiring liquidity other than in the event of death or disability through a share redemption program or through a tender offer process.
- **THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED IN THE BLACK CREEK INDUSTRIAL REIT IV PROSPECTUS. THE OFFERING IS MADE ONLY BY THE BLACK CREEK INDUSTRIAL REIT IV PROSPECTUS.**

Please be aware that BCI IV, BCI IV Advisors LLC, BCI IV Advisors Group LLC, Black Creek Capital Markets, LLC and their respective officers, directors, employees and affiliates are not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with BCI IV's public offering or the purchase of BCI IV's common stock and that the Advisor and the Dealer Manager have financial interests associated with the purchase of BCI IV's common stock, as described in BCI IV's prospectus, including fees, expense reimbursements and other payments they anticipate receiving from BCI IV in connection with the purchase of BCI IV's common stock. These materials are not intended as a recommendation to make an investment in BCI IV's common stock and investors should consult their financial advisors before making an investment decision.

# As you look to make a portfolio allocation to commercial real estate, now could be the right time to consider distribution warehouses.

Building upon the experience and track record of Black Creek Group, Black Creek Industrial REIT IV plans to acquire and operate high-quality distribution warehouses (also called industrial properties) that are leased to creditworthy corporate customers.<sup>1</sup> Black Creek Industrial REIT IV seeks to acquire properties that produce rental revenue for Black Creek Industrial REIT IV by means of the rents the corporate customers pay to use the properties for their businesses.

## Why distribution warehouses?

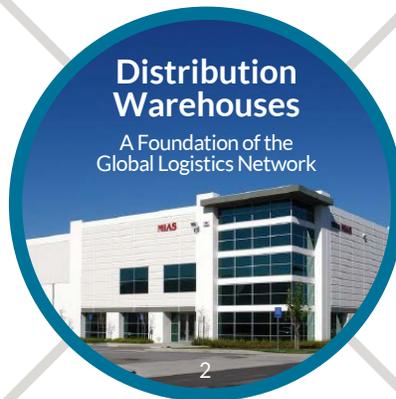
Nearly every single product you see and use was stored in one or more distribution warehouses along its journey from point of manufacture to you, the consumer, regardless of where it was manufactured or how it was purchased. Distribution warehouses link product manufacturers with consumers by providing essential storage space for products of all types.



**Population Growth Driving Demand for New and Greater Product Selection**



**Global Manufacturing Increasing Trade in More Types of Goods**



**Consumer Purchases at Traditional Brick and Mortar Retail Stores**



**Consumer Purchases Via the Internet**

<sup>1</sup> Although BCI IV intends to focus its investment activities primarily on distribution warehouses and other industrial properties, BCI IV's charter and bylaws do not preclude it from investing in other types of commercial property or real estate debt. It is important to note that creditworthiness does not necessarily mean that BCI IV's corporate customers will be investment grade, and, in fact, it is anticipated that much of BCI IV's portfolio will be comprised of non-rated and non-investment grade corporate customers.

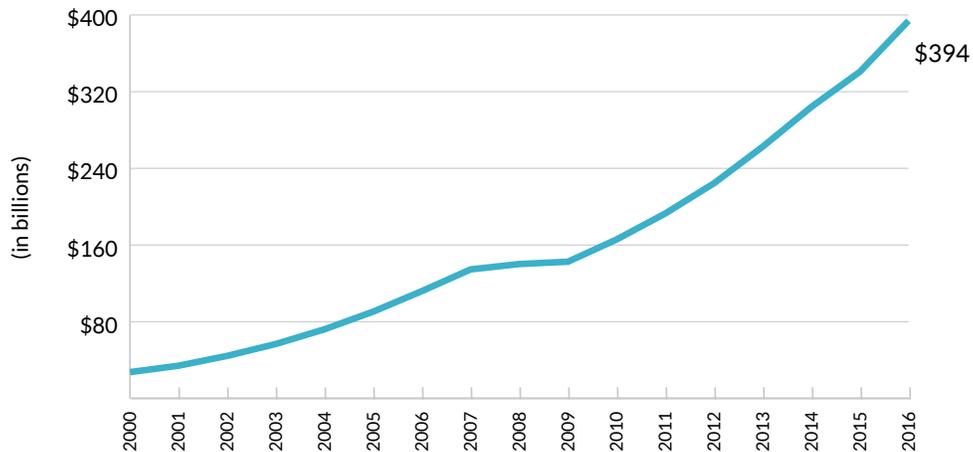
<sup>2</sup> Property depicted in photograph is owned by IPT, which is an investment program sponsored by an entity affiliated with direct and indirect owners of BCI IV's sponsor. By investing in BCI IV, investors will not have an interest in IPT or in this property.

# Distribution Warehouses: The Center of the E-Commerce Revolution

E-commerce has come a long way since Amazon started selling books online in 1995. As consumers adopted this new way of acquiring goods, and retailers refined their e-commerce strategies, online sales have grown dramatically.

According to Bloomberg, in 2000, online sales totaled approximately \$27 billion. In 2016, this number increased significantly to approximately \$394 billion.<sup>3</sup>

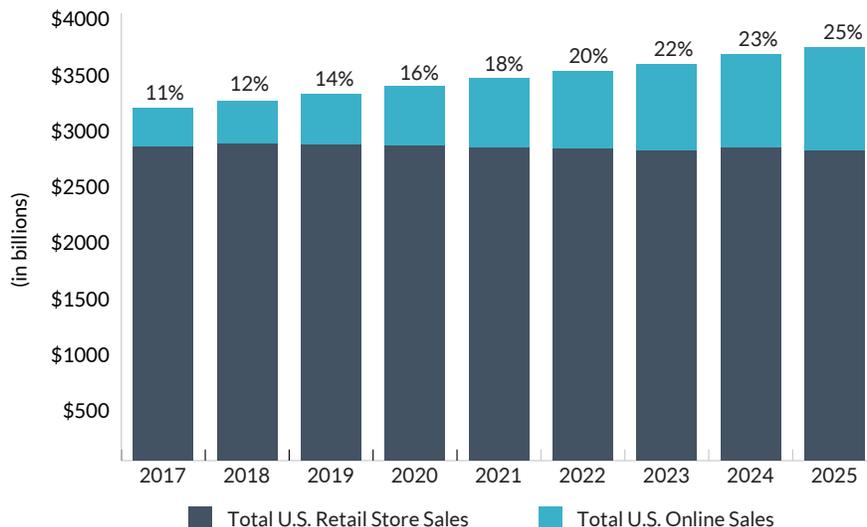
### Total E-Commerce Sales<sup>3</sup>



At the center of the e-commerce revolution are distribution warehouses. Rather than being stored on retail store shelves, products purchased online are stored directly in distribution warehouses — in addition to also being shipped through multiple distribution warehouses between when they are ordered and delivered to consumers.

The e-commerce trend is expected to continue, with sales increasing approximately 14.4% year-over-year and expected to increase to 25% of overall retail sales by 2025.<sup>3</sup>

### Projected Online U.S. Retail Sales as a Portion of Total U.S. Retail Sales<sup>4</sup> 2017 - 2025



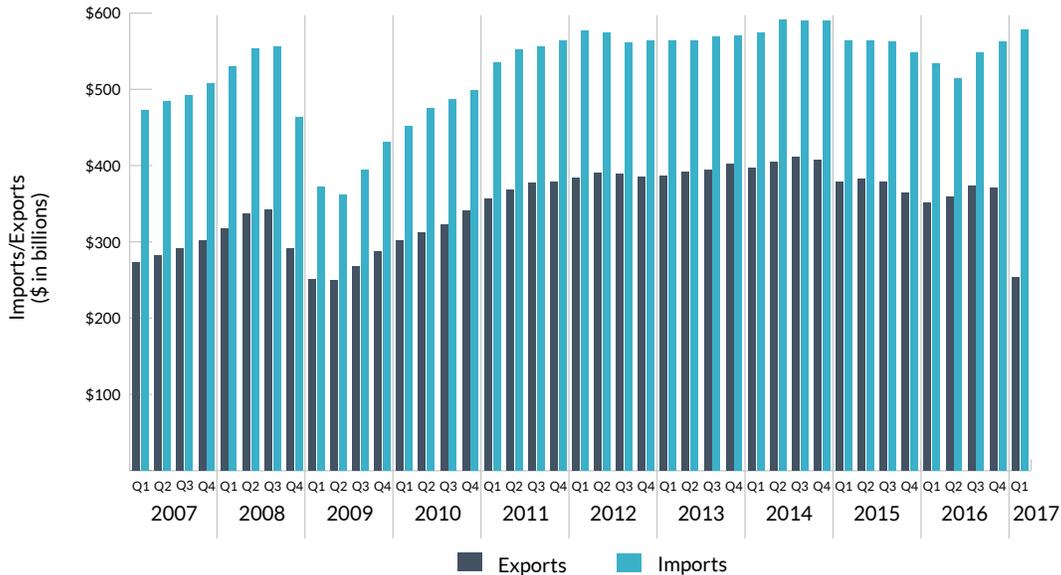
<sup>3</sup> Source: Bloomberg Q4 2016. Total retail sales exclude food, gas and auto sales.

<sup>4</sup> Source: IMS Worldwide Inc., 2015. The percentages presented for future periods are projections and there is no guarantee that these projections will accurately reflect future performance.

# Global Manufacturing

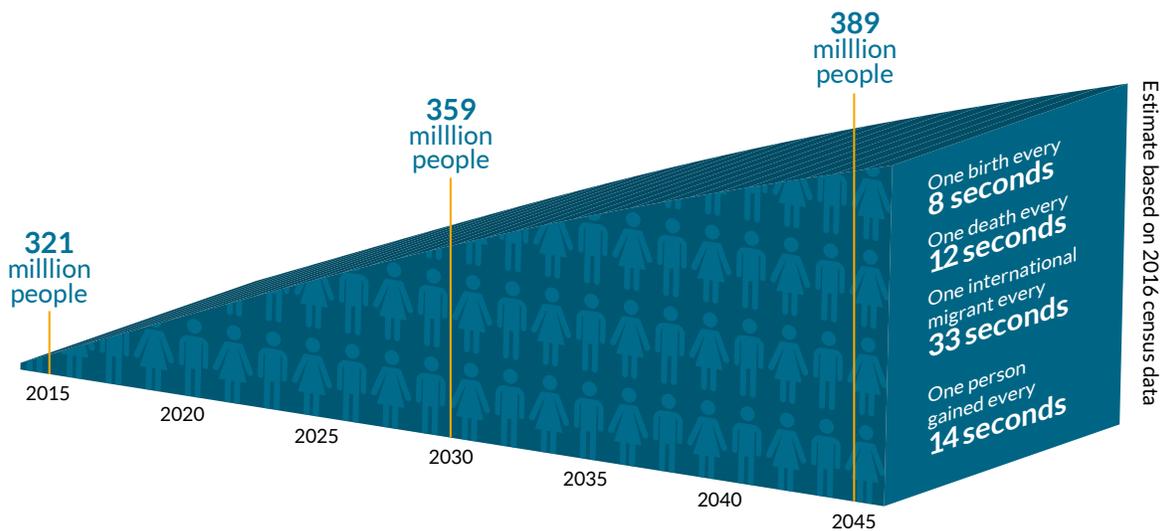
Additionally, globalization has further increased trade in more types of goods. According to the U.S. Census Bureau, in 1989 the United States imported and exported \$837 billion worth of goods for the year. In 2016, approximately \$3.7 trillion of goods was imported and exported.<sup>5</sup>

Just imagine the number of distribution warehouses required to store and inventory these products along the supply chain regardless of where the products were manufactured.



# Population Growth

Population growth drives demand for warehouse space. The U.S. population is currently growing at approximately 1.1% per year on average. At that rate, there could be up to 38 million more people in the United States by 2030, and 68 million more people by 2045.<sup>6</sup> Companies need places to store the products utilized by these new consumers.



<sup>5</sup> Source: U.S. Census Bureau, Foreign Trade Statistics, May 2017.

<sup>6</sup> Source: U.S. Census Bureau — Population Division, December 2014. Census.gov — U.S. and World Population Clock, November 2016.

## A proven track record in industrial real estate

At Black Creek Group, a major part of our experience and heritage as a company lies within the industrial property sector. We have substantial experience in acquiring, owning, managing, financing and operating commercial real estate – industrial real estate in particular.

The principals of Black Creek Group have acquired and operated:<sup>7</sup>

More than \$11.2 billion of industrial distribution facilities	1,082 properties	Approximately 185 million square feet <sup>8</sup>
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While the performance of past programs is not indicative of future results, Black Creek Group’s principal owners have sponsored four industrial real estate programs within the last ten years, including two that have gone full-cycle through a liquidity event:<sup>9</sup>

DCT Industrial Trust Inc. (NYSE: DCT) 2003 - 2006	Formerly known as Dividend Capital Trust Inc.; began property operations in 2003 as an industrial real estate investment trust that was listed on the New York Stock Exchange in December 2006
Industrial Income Trust Inc. 2010 - 2015	Began property operations in 2010; built and operated a national platform of high-quality distribution warehouses and completed its merger with and into an affiliate of Global Logistic Properties Limited (GLP) for approximately \$4.55 billion in November 2015 <sup>10</sup>
Industrial Property Trust Inc. 2013 - Present	Began property operations in late 2013; acquires and operates high-quality distribution warehouses that are leased to corporate customers
Black Creek Industrial REIT IV 2016 - Present	Offering went effective in 2016 and expects to commence property operations in 2017; intends to acquire and operate high-quality distribution warehouses that are leased to creditworthy corporate customers <sup>11</sup>

<sup>7</sup> This information includes some data pertaining to unrelated entities that the principals of Black Creek Group and their affiliates have sponsored prior to the creation of Black Creek Group. The performance of past programs is not indicative of future results. Data includes partnership-owned properties as of December 31, 2016.

<sup>8</sup> Represents both Industrial Income Trust Inc’s (IIT’s) consolidated and unconsolidated properties and assumes 100% ownership of the company’s unconsolidated properties.

<sup>9</sup> DCT Industrial Trust Inc. and IIT are no longer controlled by affiliates of BCI IV’s sponsor. A liquidity event for BCI IV is not guaranteed and may be postponed. Prior performance is not a guarantee of future results.

<sup>10</sup> Concurrently with the closing of the merger transaction, IIT transferred 11 properties then owned by IIT that were under development or in the lease-up stage (the “Excluded Properties”) to a liquidating entity (the “Liquidating Trust”), the beneficial interests in which were distributed pro rata to IIT stockholders. The Liquidating Trust currently anticipates that it will complete its liquidation within 12 to 24 months following the merger, with the goal of maximizing the value of the Excluded Properties for IIT’s former stockholders. Academy Partners Ltd. Liability Company (“Academy Partners”) is the former owner and user of the names “Industrial Income Trust Inc.,” “Industrial Income Trust” and “IIT” (collectively, the “Trademarks”) and GLP (or its affiliate), which is unrelated to Academy Partners and Black Creek Group, is the present owner and source of services provided under the Trademarks.

<sup>11</sup> Although BCI IV intends to focus its investment activities primarily on distribution warehouses and other industrial properties, BCI IV’s charter and bylaws do not preclude it from investing in other types of commercial property or real estate debt. It is important to note that creditworthiness does not necessarily mean that BCI IV’s corporate customers will be investment grade, and, in fact, it is anticipated that much of BCI IV’s portfolio will be comprised of non-rated and non-investment grade corporate customers.