Interim Management Report of Fund Performance
For the six months ended June 30, 2024

Hazelview Alternative Real Estate Fund

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of Hazelview Alternative Real Estate Fund. You can obtain a copy of the financial statements at your request, at no cost, by any of the following:

PHONE
Carrie Morris, Managing Partner,
Investor Relations
1.888.949.8439

INTERNET
Visiting SEDAR at www.sedar.com
or www.hazelview.com

MAIL
Writing to the Fund at:
Hazelview Alternative Real Estate Fund
Attention: Investor Relations
1133 Yonge Street, 4th Floor
Toronto, Ontario
M4T 2Y7

Unitholders may also contact us using one of these methods to request a copy of the Fund's financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

hazelview
INVESTMENTS

FORWARD-LOOKING STATEMENTS

Caution regarding forward-looking statements

The terms the "Fund", "we", "us" and "our" in the following Management Report of Fund Performance ("MRFP") refer to the Fund and its financial position and results of operations for the six months ended June 30, 2024 (the "Period"). Financial data provided, except as disclosed, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as required by Canadian securities legislation and the Canadian Accounting Standards Board. This MRFP should be read in conjunction with the Fund's financial statements for the six months ended June 30, 2024, which have been prepared in accordance with IFRS. Copies of these documents have been filed electronically with securities regulators in Canada through the System for Electronic Document Analysis and Retrieval ("SEDAR") and may be accessed through the SEDAR website at www.sedar.com. Historical results and percentage relationships contained in the Fund's financial statements and MRFP related thereto, including trends which might appear, should not be taken as indicative of future operations or results.

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. These statements are typically identified by expressions like "believes", "expects", "anticipates", "would", "will", "intends", "projected", "in our opinion" and similar expressions. By their nature, forward-looking statements require us to make assumptions which include, among other things, (i) the Fund will have sufficient capital under management to effect its investment strategies and pay its targeted distributions, (ii) the Fund's investment strategies will produce the results intended by Hazelview Securities Inc., (iii) markets will react and perform in a manner consistent with the investment strategies, and (iv) the Fund is able to acquire real estate securities that will generate returns that meet and/or exceed the Fund's targeted investment returns.

Forward-looking statements are subject to inherent risks and uncertainties. There is significant risk that forecasts and other forward-looking statements will prove to not be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to, general global market conditions, general risks relating to real estate and the risks detailed from time to time in the Fund's prospectus.

We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties, potential events and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Fund and the Manager do not undertake, and specifically disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

This MRFP presents management's view of the significant factors and developments during the past period that have affected the performance and outlook of the Fund and should be read in conjunction with the financial statements of the Fund for the six months ended June 30, 2024, together with the notes related thereto. This MRFP is not intended to provide legal, accounting, tax or investment advice.

Investment Objectives and Strategies

The investment objective of the Fund is to provide superior risk-adjusted return by investing primarily in securities of real estate investment issuers in developed markets globally. The Fund combines a market neutral long-short overlay with a concentrated long-only portfolio. The Fund uses leverage to enhance returns primarily by short selling, cash borrowing and/or investing in derivatives. The Fund's aggregate exposure to short selling, cash borrowing and derivatives may not exceed the limits on the use of leverage as permitted under applicable securities legislation and/or regulatory approval.

Distributions:

The Fund distributes income to unitholders of the distributions at each quarter-end. The Fund distributes income to unitholders of the Fund and additionally net realized capital gains prior to the fiscal period-end. Unless a unitholder requests cash payment in advance, in writing, distributions are reinvested in additional units of the same series of units of the Fund.

Risk

No changes affecting the overall level of risk associated with investing in the Fund were made during the period.

Results of Operations [1]

In the first half of 2024, the Fund's performance declined 3.3% on a net basis.

The Long-Only component of the portfolio gained +0.5% as the overall REIT market was essentially unchanged during this period. Dispersion among different regional markets was low. The U.S., Canada and European markets all finished with low single-digit losses, but a weaker Canadian dollar meant global REITs were flat for Canadian investors.

Top performers in the Fund's Long-Only portfolio included Cairn Homes, Tricon Residential and Digital Realty Trust.

Irish homebuilder Cairn Homes (CRN) delivered a total return of +22.8% (EUR). We see a secular growth opportunity in Ireland's for-sale housing market, with Dublin specifically being under-supplied relative to the demand for residential units. Cairn primarily builds on its own land, much of which was acquired in 2015 at attractive prices, allowing for high gross margins exceeding 20%. In combination with a low cost of debt at 3.1% and a loan-to-value of 17%, we believe Cairn will generate double-digit ROEs while returning two-thirds of their profits back to shareholders in the form of share buybacks and dividends.

Tricon Residential (TCN) operated in the U.S. single-family rental market, with an owned and managed portfolio spanning over 36,700 homes, primarily concentrated in the Sunbelt region. Tricon was poised to deliver mid-to-high single-digit organic NOI growth from their existing portfolio, as single-family rental fundamentals remained robust and elevated home prices and mortgage rates drove more people into the rental market. We saw the valuation as very compelling, with the shares trading at a large discount to our forward NAV estimate. The company was subsequently taken private by Blackstone in Q1 2024, generating a return of +21.5% (CAD), and was removed from the portfolio.

U.S. data center REIT Digital Realty Trust (DLR) gained 15.2% (USD). Data centers are experiencing robust demand for space from hyperscale customers like Google, Amazon, and Microsoft, driven by growth in artificial intelligence, cloud computing, and social media. In 1Q24, new leasing activity across the top eight U.S. data center markets was approximately 1,500 MW, setting a new all-time record. In Europe, their top five markets experienced about 270 MW of absorption, the second highest in history. Northern Virginia, DLR's largest market, was the top performer with approximately 475 MW of absorption, the second largest quarter in history. Vacancy rates in the top eight U.S. markets now sit in the mid-1% range. Robust levels of demand combined with extremely low vacancy rates are leading to 10-20% growth in market rents so far in 2024. We anticipate that market rents will continue to grow in 2025 and beyond, leading to an acceleration in DLR's same-store NOI, EBITDA, and FFO per share growth in the coming years.

Top detractors from performance were the Fund's positions in Hudson Pacific, Prologis, and Healthcare Realty Trust.

U.S. industrial REIT Prologis (PLD) declined 21.2% (USD). PLD's underperformance was driven by the company lowering its 2024 FFO guidance during the Q1 earnings season. The company's more cautious outlook was due to a slowdown in leasing demand and higher new supply, which is negatively impacting occupancy rates. While we like the long-term growth prospects of the industrial sector, market rent growth is likely to pause until all the new supply being delivered over the next 12 months is absorbed.

U.S. REITs Healthcare Realty Trust (HR) and Hudson Pacific Properties (HPP) declined by 18.8% (USD) and 28.2% (USD), respectively. The declines in both companies were driven by disappointing earnings reports with 2024 FFO guidance surprisingly below expectations. Healthcare Realty is experiencing higher turnover in their single-tenant medical office buildings, which is leading to lower same-store NOI growth over the next 12 months. Meanwhile, Hudson Pacific is seeing higher vacancy rates and longer lead times to backfill space.

The Long/Short (pairs) portfolio detracted from returns during the first half of 2024. Most of the loss occurred in February during the earnings season. This Q4 earnings season (for 2023) brought more volatile results than expected, and some of the portfolio's Long/Short positions experienced negative (positive) earnings surprises. Elsewhere in the portfolio, fixed-income securities continued to deliver high coupon income, which contributed to returns.

In terms of dynamic beta management, the Fund maintained an elevated beta exposure during the first half of 2024, as Hazelview's in-house underwriting continued to indicate attractive valuations for the REIT universe. However, the catalyst to unlock value is highly dependent on the future direction of interest rates, especially in the U.S., the largest market. The direction of interest rates, in turn, depends on several economic variables such as inflation and unemployment. Therefore, it is difficult to pinpoint the inflection point for monetary policy, which is expected to lead to the inflection point in publicly traded REITs.

To manage the binary risk around the release of each economic data point, while maintaining upside participation once the U.S. Fed pivots to a dovish stance, the Fund reduced its direct ownership of stocks and instead substituted part of the portfolio with option contracts that give the Fund similar upside potential with limited downside risk. In total, dynamic beta management was slightly accretive to returns, but most importantly, it helped to reduce the Fund's volatility.

For the first half of 2024, both the minimum and maximum amount borrowed was zero. As of the end of June 2024, the Fund had no cash borrowing (0% of net asset value). However, cash borrowing may be utilized from time to time to capitalize on attractive market opportunities. In such cases, borrowing is expected to be facilitated through the Fund's prime brokerage facility, with rates comprising the local benchmark interest rate of each jurisdiction plus an agreed-upon spread.

The total leverage employed by the Fund includes a combination of cash borrowing, short selling, and the notional value of derivatives that could potentially result in an obligation, such as short positions in option contracts. Total leverage excludes derivatives where no obligation can occur, such as long positions in option contracts, covered call writing, and spread trading in options where the short position is fully covered by another long position. Additionally, total leverage excludes the notional value of currency forward contracts, which are used to hedge currency risks and do not increase market risk for the Fund.

During the first half of 2024, the aggregate exposure to various sources of leverage ranged from a minimum of CAD $6.6 million to a maximum of CAD $13.2 million. On a percentage of net asset basis, the aggregate exposure to leverage during the period was below 300%. The majority of the leverage resulted from short positions in stocks as part of the Fund's Long/Short portfolio strategy. These short positions helped mitigate market risk on the long side of the portfolio, thereby reducing the overall market risk of the Fund.

Compared to 2023, the fund's redemptions increased to $5 million for the six-month period ended in June 2024 from $nil; and subscriptions decreased to $nil from $14.0 million due to overall market conditions. The Fund recognized a net loss for the six-month period ended in June 2024 of $638 thousand compared to a loss of $1 million recognized in 2023. There were no significant changes to the fund's expenses year over year.

[1]. Broader REIT market index/ passive benchmark refers to the FTSE EPRA/NAREIT Developed Ex-Asia Index

Recent Development

In the first half of 2024, the global economy has performed better than anticipated, resulting in strong commercial and residential real estate fundamentals around the world. New supply has declined year-over-year, leading to better rent growth. However, interest rates have remained higher for longer, which has slowed down the transaction environment and delayed price discovery.

Despite these improved fundamentals, none of the major REIT markets (U.S., Canada, and Europe) delivered positive returns during the period (in local currencies), likely a function of "higher for longer", as the 10-year government bond yields rose during the period. This contrasts with global equities, which saw strong returns driven by the performance of technology giants and their AI-related businesses.

Looking ahead, we anticipate a more promising second half of 2024 for REITs. According to Bank of America, June 2024 marked the first month since October 2020 without a global central bank rate hike. From October 2020 to August 2023, there were 507 interest rate hikes versus 65 rate cuts. Bank of America forecasts 56 rate cuts versus 3 hikes in the second half of 2024, which bodes well for the real estate transaction market and price discovery.

To that point, we are starting to see green shoots indicating a potential bottoming in asset values. In the U.K., changes in capital values were flat in May 2024, ending an 11-month streak of declines dating back to August 2023. The number of sub-sectors showing capital growth also improved, increasing to 56% from 49% in April, marking the highest level since June 2022. In Germany, Vonovia (VNA) sold a portfolio of 4,500 units to the Berlin government for €700 million at a gross yield of 3.5%, confirming the portfolio's appraised valuation. In Canada, Chartwell acquired several portfolios totaling $763 million in the low-to-mid 6% cap rate range, consistent with CBRE's recent valuation survey. In the U.S., Blackstone (BX) acquired Apartment Income REIT for nearly $10 billion at a high-5% cap rate, in line with sell-side consensus estimates. In Australia, Mirvac sold 367 Collins Street in Melbourne for A$340 million, matching its December 2023 book value.

In June, the Bank of Canada and European Central Bank cut interest rates, while commentary from the U.S. Federal Reserve suggests they are poised to lower rates when conditions warrant. In the U.S., June's core CPI, which excludes food and energy costs, rose by 0.1% from May, marking the smallest advance since August 2021. The year-over-year measure increased by 3.3%, also the slowest pace in more than three years, potentially paving the way for a rate cut in the second half of 2024.

There were no new or changes in IFRS that were applicable to the Fund's financial statements.

Forward-Looking Information Advisory: Please see above Forward-Looking Statements section of the MFRP.

Related Party Transactions

The Manager acts as the trustee, manager and portfolio adviser of the Fund and is deemed to be a related party. The below "Management Fees" section describes fees paid to the Manager. The Manager has also appointed an independent review committee ("IRC") as required by National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("NI 81-107") in order to review and provide recommendations or approval, as required, regarding certain conflict of interest matters referred to it by the Manager on behalf of investment funds managed by the Manager, including the Fund. The IRC is responsible for overseeing the Manager's decisions in situations where the Manager is faced with any present or perceived conflict of interest, all in accordance with NI 81-107. IRC members receive fees and reimbursement of expenses for services provided to the Fund and other funds and such costs are allocated among all the funds on a fair and reasonable basis.

(in thousands of Canadian dollars, except unit and per unit amounts)

FINANCIAL HIGHLIGHTS – Series F

The fund was created on January 2, 2023 per schedule A to the Declaration of Trust. The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods shown.

The Fund's Net Assets per unit[1]	June 30, 2024	December 31, 2023
Net assets, beginning of period	$ 11.08	$ 10.00
Increase (decrease) from operations		
Total revenue	0.36	0.77
Total expenses	(0.28)	(0.90)
Commissions and other transaction costs	(0.06)	(0.11)
Other expenses	(0.22)	(0.79)
Realized gains (losses) for the period	(0.64)	(0.17)
Unrealized gains (losses) for the period	(0.04)	0.70
Total increase (decrease) from operations[2]	(0.60)	0.39
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions for the period[3]	-	-
Net assets, at end of period[4]	$ 10.72	$ 11.08

(1) This information is derived from the Fund's unaudited interim financial statements.
(2) Net assets and distributions are based on the actual number of units outstanding for the relevant Series at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding for the relevant Series over the financial period.
(3) This table is not intended to be a reconciliation of beginning to ending net assets per unit

Ratios and supplemental data	June 30, 2024	December 31, 2023
Total net asset value[1]	$ 9,088	$ 14,726
Number of units outstanding[1]	848,023	1,328,519
Management expense ratio[2]	1.54%	1.54%
Management expense ratio (before expenses absorbed)	2.52%	2.17%
Trading expense ratio[3]	1.40%	1.38%
Portfolio turnover rate[4]	216.42%	426.43%
Net asset value per unit[1]	$ 10.72	$ 11.08

(1) This information is provided as at period end for the period shown.
(2) Management expense ratio is based on total expenses (excluding withholding taxes on foreign dividend and commissions and other portfolio transaction costs) for the stated periods and is expressed as an annualized percentage of the daily average net asset value during the stated period.
(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value during the stated periods.
(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the stated period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

Management Fees

The Manager receives a management fee payable by the Fund for providing its services to the Fund. The management fee varies for each series of units. The management fee is calculated and accrued daily based on a percentage of the net asset value of the series of units of the Fund, plus applicable taxes, and is payable on the last day of each calendar quarter.

Series A units: 2.00% per annum

Series F units: 1.00% per annum

Series F-1 units: 0.90% per annum

Series I units: Negotiated by the investor and paid directly by the investor.

Management fees expense for the six months ended June 30, 2024 was $63 (period from January 2, 2023 (date of formation) to June 30, 2023 - $60).

In respect of each annual period (a "Determination Year") ending December 31 (the "Performance Valuation Date"), the Manager will be entitled to receive a performance fee in respect of each series of units of the Fund, on a per unit basis, equal to 15% of the amount by which the Total Return (as defined below) of such unit during the Determination Year exceeds the amount resulting from multiplying the Hurdle Rate (as defined below) by the High Water Mark of that unit (as defined below) calculated and accrued daily.

The "Hurdle Rate" for all series of units is 2% per annum.

The "High Water Mark" for a unit is the highest of the following (after appropriate adjustment for distributions made, and any current or deferred tax liabilities for the relevant annual period):

(i) the series daily unit price;
(ii) the series NAV per unit on the Performance Valuation Date of the annual period prior to the Determination Year; and
(iii) the series NAV per unit on the Performance Valuation Date of the last annual period in respect of which a Performance Fee was paid in respect of such unit.

The performance fee, if any, plus applicable taxes, is payable by the Fund to the Manager within 30 days of December 31 of each year. The aggregate amount of performance fee payable on all units within a series will be deducted as an expense of the Fund and allocated to that series of units in the calculation of the net asset value of that series of units.

"Total Return" means the return generated on a series of units, including income from distributions declared and taxes (current and deferred) allocated to a unitholder, as well as the appreciation or depreciation in the series net asset value per unit, over the calendar period, calculated on December 31st of each year after any deduction of any management fee or trailer fee payable by the Fund to the Manager pursuant to the investment management agreement.

The Manager may make adjustments to the unit price, the High Water Mark and/or the Hurdle Rate per unit as determined by the Manager to be necessary in order to account for the payment of any distributions on units, any unit splits or consolidations or any other event or matter that would, in the opinion of the Manager, impact upon the computation of performance fee.

The Manager reserves the right, in its discretion, to discontinue, decrease or waive the performance fee at any time.

Performance fees expense for the six months ended June 30, 2024 was $nil (period from January 2, 2023 (date of formation) to June 30, 2023 - $nil). Performance fees payable, including applicable taxes, as at June 30, 2024 was $nil (period from January 2, 2023 (date of formation) to June 30, 2023 - $nil).

The Fund incurred total expenses of $283 (period from January 2, 2023 (date of formation) to June 30, 2023 - $330) for the six months ended June 30, 2024, before the absorption of $55 (period from January 2, 2023 (date of formation) to June 30, 2023 - $24) by the Manager.

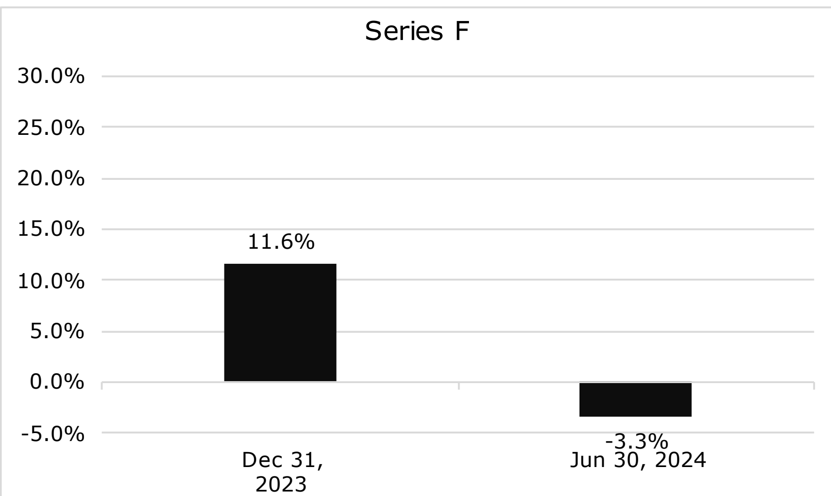
PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the period shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemptions, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

YEAR-BY-YEAR RETURNS

The following charts show the performance of each series of the Fund, in percentage terms, for each of the fiscal years shown (ended December of each year) and illustrate how the performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each fiscal year, or the series inception date, as applicable, would have increased or decreased by the last day of the fiscal year presented, and assumes reinvestment of distributions at NAV on the day the distributions were paid.

For series started during a fiscal year, corresponding returns are not annualized and represent period returns from series inception date to last day of the fiscal year presented. For the period ended June 30, 2024, corresponding returns are not annualized and represent returns for this period.



(in thousands of Canadian dollars, except unit and per unit amounts)

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2024

The Summary of Investment Portfolio may change due to ongoing portfolio transactions.

Summary of Top 25 Holdings	Asset Class	% of NAV
LONG POSITIONS		
United Homes Group 15% Bond 30MAR2028 Convertible Debenture	Convertible Bond	10.5%
Equinix Inc.	Common Equity	7.0%
AvalonBay Communities Inc.	Common Equity	6.8%
Equity Residential	Common Equity	6.0%
Vonovia SE	Common Equity	5.9%
Kimco Realty Corp.	Common Equity	5.8%
Digital Realty Trust Inc.	Common Equity	5.1%
Sonida Senior Living Inc.	Common Equity	5.1%
ERWE (KSLK Trust GmbH)	Private Debt	4.8%
Public Storage	Common Equity	4.7%
Invitation Homes Inc.	Common Equity	4.4%
Chartwell Retirement Residences	Common Equity	4.3%
Toll Brothers Inc.	Common Equity	4.1%
First Capital Real Estate Investment Trust	Common Equity	4.0%
Agree Realty Corp.	Common Equity	3.9%
Vornado Realty Trust Preferred Shares 5.25%	Preferred Share	3.8%
CBRE Group Inc.	Common Equity	3.8%
American Tower Corp.	Common Equity	3.2%
Essential Properties Realty Trust Inc.	Common Equity	3.1%
Warehouse Reit PLC	Common Equity	3.1%
Ventas Inc.	Common Equity	3.1%
SHORT POSITIONS		
iShares US Real Estate ETF	Common Equity	-9.7%
Vanguard Real Estate ETF	Common Equity	-5.0%
Vanguard Global ex-U.S. Real Estate ETF	Common Equity	-4.9%
SmartCentres Real Estate Investment Trust	Common Equity	-3.9%
Total		79.0%

(in thousands of Canadian dollars, except unit and per unit amounts)

SUMMARY OF INVESTMENT PORTFOLIO (Continued)

As at June 30, 2024

Portfolio Breakdown

Regional	% of NAV
United States	67.7%
Germany	10.7%
United Kingdom	5.3%
Cash	5.2%
Canada	4.4%
Ireland	2.9%
Belgium	2.1%
Netherlands	1.5%
Spain	0.8%
Other liabilities, net	-0.6%
Total	100.0%

Asset Type	% of NAV
Common Equity	77.2%
Convertible Bond	10.5%
Cash	5.2%
Private Debt	4.8%
Preferred Shares	3.8%
Public Derivative	-0.9%
Other liabilities, net	-0.6%
Total	100.0%

Sector	% of NAV
Homebuilder	17.9%
Multifamily	16.7%
Healthcare	16.4%
Industrial	13.3%
Data Centre	12.1%
Triple Net Lease	7.0%
Office	6.0%
Cash	5.2%
Self Storage	4.7%
Single Family Rental	4.4%
Cell Towers	4.2%
Shopping Centre	4.1%
Hotel	0.5%
Derivative	-0.9%
Diversified	-11.0%
Other liabilities, net	-0.6%
Total	100.0%