Q1 2021 HIGHLIGHTS

— Continued roll out of viable vaccines, increasing mobility
— Strong returns from U.S. and Canadian multifamily REITs
— Increased exposure to to Singapore, the U.S., the U.K., Sweden

MARKET OVERVIEW

The global economy (and equity markets) continued their upward accent in the first quarter, supported by further monetary and fiscal stimulus (capped off by the U.S.'s $1.9 trillion COVID relief package), as well as an improving vaccination pace. The IMF increased its 2021 growth forecast to 6% (from 5.5%), which, if it comes to fruition, would mark the fastest rate of global growth since 1980. Supporting this, the OECD Global Leading Economic Indicators Index increased further in the quarter and is now above its pre-pandemic high. China and the U.S. are leading the global recovery, with the U.S., in particular, benefitting from its vaccination efforts. Over 45% of U.S. adults have received at least one dose while countries like Canada, Europe and parts of Asia are experiencing painfully slow vaccine rollouts and new lockdown measures. Despite this unevenness, interest rates and volatility responded in-kind, with the VIX Index (a measure of volatility) declining 48% from it's late-January high to end the quarter at the lowest level since the onset of the global pandemic. Reflecting better growth prospects and the likelihood of higher inflation, interest rates increased in [many/the majority of] countries, despite best efforts from Central Bankers reaffirming their commitment to keeping rates at zero.

The world is re-opening and REITs (the world's landlord) gained 6.1% in the quarter (USD)[1], outpacing global equities by over 100 basis points.

— Japan led the way, generating a +15.5% total return (JPY)[2], driven by financial results that exceeded expectations, increasing M&A speculation and banks extending their debt moratoriums for borrowers.
— Hong Kong delivered an +11.0% total return (HKD)[3], motivated by rising optimism of a border reopening with China, cheap valuations and successful containment of the virus that is allowing life to start to return to normal.
— U.S. REITs gained 9.6% (USD)[4], driven by the outperformance of property types hardest hit during the pandemic like lodging, retail and multifamily and an acceleration in the pace of vaccinations that have increased mobility trends with air travel ending the quarter at its highest level since the onset of the global pandemic.
— In spite of new lockdown measures, Canadian REITs delivered a strong total return of +9.3% (CAD)[5], benefiting from the Canada Emergency Rent Subsidy program. Under this program, landlords no longer need to abate rent as the government pays 65% of a troubled tenant's rent while the tenant pays the remaining 35%.
— Also note worthy, the U.K. underperformed (+3.2% in GBP)[6] despite a successful vaccine roll-out that has led to 47% of the population receiving at least one dose. We believe the U.K. underperformed due to stringent mobility restrictions that has hindered the city's recovery. As mobility restrictions ease, we believe share prices will perform better.
— Singapore and Australia lagged, gaining 2.8% (SGD)[7] and 1.9% (AUD)[8]. Limited inbound travel and rising lease incentives, especially in the retail and office sectors, weighed on performance in the quarter.
— Finally, Continental Europe delivered the worst performance, declining 3.5% (EUR)[9], driven by a painfully slow vaccination roll-out and newly enacted lockdown measures. We believe there is strong pent-up demand to travel, shop and return to the office but government restrictions have made it very difficult to resume daily life.

Annualized Returns[10]	3 Month	6 Month	1 Year	3 Year	5 Year	Since Inception[11]
Net Fund Returns	3.3%	11.6%	21.0%	5.1%	3.9%	3.7%

*Total Returns presented in local currency [1]FTSE EPRA NAREIT Developed Total Return Index, [2]FTSE EPRA NAREIT Japan Index, [3]FTSE EPRA NAREIT Hong Kong Index, [4]EPRA NAREIT United States Total Return Index , [5]FTSE EPRA NAREIT Canada Index, [6]EPRA NAREIT UK Index, [7]FTSE EPRA NAREIT Singapore Index, [8]FTSE EPRA NAREIT Australia Index, [9]FTSE EPRA NAREIT Developed Europe ex UK Index. [10]The returns are based on Class F units, net return. [11]July 7, 2015. Annualized returns for 10 and 5 years not available. For more information about the risk rating and specific risks that can affect the Fund's returns, see the 'What are the risk of investing in the Fund?' section of the Fund's simplified Prospectus. On January 22, 2018, Hazelview Global Real Estate Income Fund (formerly Timbercreek Global Real Estate Income Fund) completed a fund merger with Timbercreek Global Real Estate Fund. The calendar returns for Class A securities of Timbercreek Global Real Estate Fund were as follow (as of December 31, 2017, the last completed monthly period): 2015: 4.3%; 2016: 8.8%; 2017: 3.9%. The calendar returns for Class B securities of Timbercreek Global Real Estate Fund were as follow (as of December 31, 2017, the last completed monthly period): 2010: 5.7%, 2011: 2.8%, 2012: 23.1%, 2013: 4.7%, 2014: 16.8% 2015: 4.8%; 2016: 9.1%; 2017: 4.2%. *Individual company performance represents quarterly holding period total returns.*

PERFORMANCE

Portfolio Allocation By Sector*	% of NAV Assets
Industrial	14.8
Multifamily	11.6
Technology REITs	9.6
Diversified	9.1
Private Real Estate	8 .0
Office	6 .0
Self Storage	5.7
Specialty / Triple Net Lease	5.6
Hotel	5.3
Healthcare	5.2
Low-Rise Office	4.7
Single Family Rental / MHC	4.3
High-Rise Office	4.2
Open Air Grocery Anchored Centre	2.3
Mortgage REITs	1.8
Life Science and R&D	1.7
Cash & Cash Eqv.	0.5

Portfolio Allocation By Region*	% of NAV Assets
United States	52.7
Japan	8.6
Canada	7.2
Ireland	6.6
Germany	4.9
Hong Kong	4.8
United Kingdom	4.2
Australia	3.2
Singapore	3.0
Spain	2.1
Sweden	1.1
New Zealand	1.1
Norway	0.4
Cash & Cash Eqv.	0.5

The Fund generated a +3.3% total return (CAD) in the first quarter.

Retail REIT Kimco Realty generated the highest total return in the portfolio, up 26.0% (USD). Retailers are increasingly using bricks and mortar stores for same-day delivery and Kimco's grocery anchored open-air retail shopping centres are proving to be a critical component to succeeding in an e-commerce world. Leasing demand from national retailers is approaching pre-pandemic levels and over the next 12 months, we believe Kimco will claw-back vacancy losses experienced in the height of the pandemic.

Lodging outperformed, led by Park Hotels & Resorts (+18.8% in USD) and Las Vegas Sands (+12.9% in USD). Park Hotels benefited from rising leisure demand driven by an acceleration in the pace of vaccinations (every American is expected to be eligible for vaccine by the end of April). Hotel occupancy rates are recovering, increasing to 58% in the first week of April driven by air-travel that hit its highest level since the pandemic began (1.56 million people). Las Vegas Sands is benefiting from a resurgence in gross gaming revenues in Macau, up 58% year-over-year and a respectable 14% sequential gain compared to February. We believe travel to Macau will accelerate in 2021 as visitors from mainland China no longer are required to quarantine.

U.S. and Canadian multifamily REITs delivered strong returns in the quarter. Equity Residential, Essex Property Trust and UDR gained 21.8%, 15.4% and 15.2% respectively (in USD), benefiting from a recovery in demand in some of the hardest hit markets like New York City, Boston, San Francisco and Los Angeles as customers looked to take advantage of the sharp decline in market rents, resulting in occupancy gains. Despite more stringent lockdown measures in Canada, CAP REIT gained 8.5% (CAD) as rental revenue remained resilient, rental collection rates were strong and occupancy rates remained high.

Technology REIT SUNeVision Holdings generated a +13.6% (HKD) total return. SUNeVision is benefiting from rising demand for data centre space in Hong Kong, which should bode well for the lease-up of the company's in-progress development projects. We expect the company to deliver double digit revenue growth per annum over the next three years.

The portfolio's investments in Europe and underweight to regional malls globally detracted from performance, resulting in modest underperformance of the portfolio relative to the benchmark.

In Europe, some of our investments focused on long term attractive secular growth opportunities like cell towers and residential, which performed very well in 2020, but gave back some of that alpha in the first quarter. Specifically:

— Ireland detracted 69 basis points, driven by currency headwinds (EUR depreciation) and Hibernia whose share price declined 2.7% (EUR). Lockdowns in Ireland have been some of the most stringent and despite rising COVID-19 cases temporarily delaying a return to the office, we continue to have a favorable view on Dublin's office market based on limited new supply, a talent-rich workforce and well-capitalized tenant base consisting of high-quality technology companies.

— Germany detracted 29 basis points, led by LEG Immobilien whose share price declined 11.7% (EUR). Despite a slower vaccination roll-out, renewed lockdown measures and stringent mobility restrictions weighing on LEG's share price, German residential fundamentals are strong, with the portfolio experiencing a ~10% uplift in asset values, rent growth of 2.3%, declining vacancy rates and FFO growth projected to increase 7-10% in 2021. We believe as vaccinations become more available, mobility should improve and so should LEG's share price performance.

— Finally, Spain detracted 20 basis points, led by Cellnex whose shares were flat in the quarter. Cellnex announced a €7 billion equity raise to purchase Altice Towers, which created a short-term overhang on its share price. We view the Altice Towers acquisition positively as it should strengthen Cellnex's position in France and lead to higher earnings growth over the next several years.

The portfolio's underweight to regional malls globally detracted 26 basis points relative to the benchmark led by Simon Property Group. In January and February, Simon's share price gained 32.4% (USD), benefiting from a short squeeze created by retail investors bidding up stock prices of the most heavily shorted companies, forcing hedge funds to liquidate and cover their short positions. Although we largely have an unfavorable view of enclosed regional malls globally given the asset class is in secular decline, we continue to search for opportunities. Most balance sheets are over-levered and we expect market rents to remain under pressure for the foreseeable future. Thus, we see the sector's performance this quarter as a short-term recovery and not indicative of longer-term improvement in fundamentals.

PORTFOLIO CHANGES

In the first quarter, from a geographic perspective, we added to Singapore, the U.S., the U.K., Sweden and established a new position in New Zealand while lowering exposure to Australia and Ireland. From a sector perspective, we increased exposure to diversified REITs, targeting companies that are poised to deliver attractive annualized total returns and trade at deep discounts to their sum of its parts, while decreasing exposure to office, mortgage REITs, industrial, and specialty / triple net lease REITs.

In the Diversified sector, we added Land Securities in the U.K., Orix JREIT in Japan, CK Asset and Sun Hung Kai Properties in Hong Kong, Mirvac in Australia and Kiwi Property Group in New Zealand.

Land Securities owns a high-quality diversified portfolio of assets consisting of 57% offices, 10% London retail, 14% regional shopping centres and retail parks, 7% outlets and the remaining 12% in leisure, hotels and others. The company's share price underperformed its U.K. peers by ~20% in 2019 and 2020 because of the lingering effects of Brexit, COVID-19, changes in the C-suite and elevated retailer bankruptcies. We believe the underperformance has created an attractive buying opportunity especially now that ~47% of the U.K. population has received at least one vaccination, which will allow for greater mobility trends, increased consumer spending and a return to the office, albeit in a hybrid format. Land Securities' NAV has already declined 25% since its peak in 2016 and the stock is trading close to a 40% discount to current NAV. Our annualized expected total return is 17% over the next two years which is supported by a low leverage balanced sheet and conservative debt policy with less exposure to changes in financing rates.

Orix JREIT owns a diversified portfolio of high-quality assets poised to benefit from a recovery in fundamentals led by its well-located mid-sized office properties (55% of its portfolio value) where demand has remained high and urban retail outlets in key locations mainly in Tokyo's major wards. Orix JREIT also owns 10 hotels representing 12% of its portfolio value with the Hotel Universal Port at Universal Studios in Osaka and the Tokyo Bay Maihama Hotel First Resort near Tokyo Disneyland representing the majority of this exposure. We believe these two hotels are poised to benefit from a recovery once domestic visitors and tourists return. The portfolio is complemented by residential and logistics assets representing 11% and 6% (by value). Orix JREIT has a good balance sheet (LTV of 42.9%) and strong liquidity profile (¥51 billion of cash on hand and ¥97 billion of acquisition firepower). Our target price of ¥222,850 translates to a 14.1% annualized expected total return over the next two years including a 3.8% dividend yield with the stock trading at 4.7% implied cap rate and a 5.3% AFFO yield.

We believe CK Asset is poised for a recovery after the pandemic severely impacted the cash flow contributions from their U.K. pub business, Hong Kong property portfolio, and aircraft leasing business. The company was the worst performing Hong Kong developer in 2020 and screens very attractive with an annualized expected total return of 29% over a two-year holding period. We believe CK Asset's residential business will continue to deliver strong profit margins (49% in 2020) as a result of the company purchasing most of their Mainland China land in 2004-07 at ~RMB $2.3k/sqm. Once the Hong Kong border reopens with China, we believe the company's Hong Kong retail, hotel, and office portfolios will experience a recovery in late 2021 or early 2022. CK Asset has one of the strongest balance sheets amongst its peer group with around HKD $59 billion in cash and a net-debt to capital ratio of ~7.0%. Over the years, the company has increased its recurring income stream from 29% in 2015 to 42% in 2019 and we believe the management team is focused on enhancing shareholder value to increase their recurring income base even further through acquisitions.

After almost two years of social and economic disruption in Hong Kong, we believe Sun Hung Kai Properties is set to deliver an annualized expected total return of 21% over the next two years. The company's share price is trading at trough valuation levels (50% discount to book NAV), representing one of the largest discounts on a ten-year basis. Hong Kong's housing market has remained resilient due to record low mortgage rates, easing of LTV restrictions and strong demand. As the leader in the market, we believe Sun Hung Kai Properties is expected to report robust residential sales in the mass to mid-end market segments, while maintaining high gross margins of ~40%. The Hong Kong-China border reopening should lift demand for its Hong Kong property portfolio which accounted for 35% of total profits spanning across office, retail and hotels. The company is well capitalized to ride through the pandemic with a net gearing of 14.4% and interest coverage ratio of 15.3x.

Mirvac owns one of the highest quality commercial real estate portfolios in Australia (A$7.4B of office properties, A$3.1B of retail centres and A$1.0B of industrial assets) and operates one of the most reputable residential brands in cities like Sydney, Melbourne and Brisbane. Mirvac's build-to-rent residential business consists of roughly 2,200 apartments totalling A$1.4B in estimated construction costs and a future pipeline of nearly 28,000 lots. We believe the company is well positioned to benefit from a recovery in economic growth, mobility and commercial and residential real estate fundamentals, and thus view the company's share price underperformance in January as an attractive buying opportunity. From a valuation perspective, Mirvac trades 34% below pre-COVID levels and offers a compelling annualized expected total return of 20% over the next two years, inclusive of a 3.5% dividend yield. The company's inner-city office portfolio has the longest lease expiration schedule among its peers at 6.7 years, insulating the company's cash flow stream from near-term volatility in market rents created by the global pandemic. Mirvac's Sydney-focused industrial platform is geared towards capturing increased demand from last mile delivery and their residential business is experiencing strong demand from households benefiting from lower interest rates and government stimulus. Finally, Mirvac possesses a solid balance sheet with Debt to GAV of 27%, giving the company an ability to take advantage of acquisition opportunities.

Kiwi Properties owns a high-quality portfolio of 12 office, retail and mixed-use assets totalling nearly NZ$3 billion focused on New Zealand's core markets of Auckland (71%) and Wellington (7%). We believe New Zealand's successful handling of the COVID-19 pandemic will lead to a recovery in GDP more quickly than other countries. The expected loosening of restrictions will result in an unleashing of pent-up consumer demand leading to higher footfall and retail sales, benefiting Kiwi's commercial real estate properties. Higher rent collection rates have already allowed for the reinstatement of the common dividend and we are positive on the company's decision to add multifamily units at select centres like Sylvia Park, which should only further strengthen the company's portfolio. We believe valuation is attractive with the company's shares trading at a 6.8% implied cap rate and priced to deliver a 13.2% annualized expected total return over a two-year holding period, inclusive of a 5.7% dividend yield.

In the hotel sector, we added Park Hotels and Las Vegas Sands in the U.S.

Park Hotels & Resorts, the second largest U.S. lodging REIT with a portfolio of 60 hotels and resorts totalling over 33,000 rooms and are primarily Hilton branded. We believe Park Hotels is well positioned to benefit from a recovery in lodging fundamentals driven by strong pent-up demand from leisure travel and resilient group business starting in 2022. As vaccine distribution accelerates and government restrictions are eased, we anticipate spending on travel will increase, which should lead to higher occupancy rates, higher RevPAR growth and hotel-level profitability. The number of people traveling through U.S. airports is at a post-COVID high with occupancy rates starting to increase on a week-over-week basis in leisure-oriented markets like Hawaii, Key West and Miami, which make up 31% of the portfolio. When combined with Orlando (10%) and New Orleans (6%), two markets that also benefit from leisure travel and group business, nearly 50% of Park's markets are well positioned to benefit from a recovery in hotel demand.

We believe Las Vegas Sands is an attractive recovery play centred on leisure travel in Asia, with Macau and Singapore accounting for 63% and 22% of its 2019 pre-COVID revenue. Because of restrictions on mobility and cross border travel due to the pandemic, Las Vegas Sands' operations were materially impacted, with revenues declining -80% in Macau and -60% in Singapore. We believe that as the pace of global vaccinations improve, there will be pent-up demand to travel and Las Vegas Sands will experience a strong rebound in revenues. The company has the highest market share of mass market gaming in Macau with VIP gaming representing only 6% of Sands China's total profit contribution in 2019. In Singapore, as air travel slowly ramps up, we expect occupancy at the iconic Marina Bay Sands to stage a recovery from 69% in 2020 back to the high 90% range. The recent $6.25B sale of their Las Vegas Venetian assets at 12.8x 2019 EBITDA multiple was done at an excellent price using pre-COVID level earnings. The sale provides Las Vegas Sands with abundant liquidity to fund their five-year expansion plans in Macau and Singapore, which are expected to cost ~$5.4B. We feel a resurgence in travel will greatly benefit Las Vegas Sand's Asia resorts and valuation is attractive with the stock priced to deliver a 26% annualized expected total return over the next two years.

In the office sector, we added Vornado and Kilroy Realty in the U.S., Immobilien Colonial in Spain and Ascendas India Trust in Singapore.

Vornado is a New York-centric owner of office and retail assets, with a portfolio spanning 17.5 million square feet of office space and 2.2 million square feet of street retail properties. Vornado also owns the 1,700-key Hotel Pennsylvania in NYC, the 3.7 million square foot Merchandise Mart office building in Chicago, and a 70% interest in 555 California, a 1.8 million square foot office asset in San Francisco. Coming out of the COVID-19 pandemic, we believe 2020 will mark the trough in Vornado's FFO per share, with the company well-positioned to drive sector-leading FFO growth over the next few years. Vornado has multiple levers to pull, including the resumption of trade shows at The Mart in Chicago, the re-opening of the Hotel Pennsylvania, the delivery of the Farley Post Office development to Facebook and commencement of rents, and a G&A right-sizing program at the corporate level. We believe valuation is compelling with the stock trading at an implied cap rate approaching 7%, a 30% discount to our forward NAV and priced to deliver an 18% annualized expected total return over the next two years.

Kilroy owns a 14.6 million square foot office portfolio located along the U.S. West Coast, concentrated in the San Francisco Bay Area (58% of NOI), Greater Los Angeles (20%), Seattle (12%) and San Diego (10%). These markets are home to many of the world's largest and most innovative technology and life science companies, industries that have dramatically benefitted from COVID-19. Despite the near-term negative sentiment around work-from-home, we believe Kilroy's portfolio is ideally suited for future in-office work given the portfolio is a younger average age at just 10 years. As a prolific developer of office and lab space, we believe Kilroy's expansive development pipeline provides a long runway for future value creation, including one of the best-located life science campuses on the West Coast at Kilroy's Oyster Point development in South San Francisco. With the lowest lease expiration schedule of all U.S. office REITs over the next two years (3.6% in 2021, 5.2% in 2022), we feel Kilroy Realty is very well positioned to ride out any near-term office headwinds while continuing to trade at a compelling valuation, with the shares priced to a 21% annualized expected total return over the next two years.

Immobilien Colonial owns a focused office portfolio with 77% of its properties in prime CBD locations within Paris (60%), Madrid (25%) and Barcelona (15%). We believe market fundamentals in Spain support a broad return to the workplace with limited long-term effects of working from home as companies are seeing more employees request to return to the office. The Paris office market is experiencing historically low vacancy rates, limited new supply in central prime locations and a reasonably liquid transaction market with asset values unchanged. In that context, we believe Colonial's valuation is attractive with the stock trading at greater than a 25% discount to NAV. More recently, Colonial reported a 1% increase in portfolio value, driven by Paris (+4%). Fundamentally, Colonial has collected 97% of its office rents (100% in Paris) from 2Q to 4Q20 with the total impact from COVID only being 4.5% of gross rental income. Office rents are up 3% on a like-for-like basis with vacancy rates rising to 5% and net initial yields remaining low at 2.9%. We believe Colonial's share price will benefit from an increase in the pace of vaccinations, ultimately leading to higher building utilization rates and the realization of our annualized expected total return of 20% over the next two years.

We believe Ascendas India Trust is experiencing secular tailwinds from global multi-national corporations outsourcing IT work to India. The company is forecasted to deliver high single-digit to double-digit DPU growth driven by rental reversions, high yield-on-cost developments (which are expected to grow it's portfolio by 73%), and a visible yet highly accretive acquisition pipeline. Every year, India has over 2.6 million science, technology, engineering and mathematics (STEM) student graduates making it one of the largest scalable English-speaking talent pools in the world. Most of India's IT workforce are millennials from rural areas where internet speed, connectivity and availability are poor, making work-from-home (WFH) more challenging. Office rents in India are very low compared to other major office markets around the world averaging USD $1/sf or below. As a result, real estate operating costs, as a percentage of income, typically range from 3-6%, making the cost savings of WFH negligible. Despite physical occupancy being below 10%, rent collections have remained resilient at 95%+. Ascendas India Trust's overall portfolio rents are, on average, 15% below market, providing upside in a market which has seen spot rents hold up well through the pandemic. We believe Ascendas India Trust offers exposure to one of the best office markets in the world and an attractive valuation, with the stock priced to deliver an annualized expected total return of ~20% over a two-year holding period.

In the industrial sector, we added Prologis in the U.S. and Catena in Sweden.

Prologis is the largest owner of industrial warehouse properties globally, with an irreplaceable portfolio amassing 984 million square feet across 4,703 buildings in 19 countries and 5,500 customers. Prologis also has one of the preeminent funds management businesses in the world with $53 billion in total assets under management. COVID-19 accelerated the demand for logistics space in 2020, driven by a surge in online consumer purchases and an increase in the overall e-commerce penetration rate. The increased volume combined with a desire for faster delivery drove the need for additional last-mile delivery facilities. We believe Prologis's high-quality portfolio in mission critical markets is poised to benefit from higher market rent growth in 2021, leading to strong earnings growth and share price outperformance. We view valuation as attractive with the company's stock priced to deliver a 10% annualized expected total return over the next two years.

Catena is a small cap REIT (~USD 1.9 billion) that owns a highly coveted industrial portfolio located in Sweden, of which ~40% is in Stockholm. Catena is the only pure-play logistics company focused on the Nordic region and is poised to benefit from Scandinavia's cargo business. Industrial vacancy rates are low across each of Catena's key markets (Stockholm, Gothenburg, Helsingborg and Malmo), new supply is limited and property valuations continue to rise driven by higher cash flow and cap rate compression. Online penetration in Sweden is low, leaving significant room for growth from e-commerce companies which would further benefit Catena's portfolio from an increased demand in industrial space. We believe the company's shares are attractive and priced to deliver a double digit annualized expected total return over a two-year holding period.

In the data centre sector, we added U.S.-based Digital Realty Trust (DLR). The company owns one of the largest and highest-quality global portfolios totally 291 data centres across 4,000+ customers. We added Digital Realty in lieu of Equinix primarily driven by valuation. In September 2018 ($1.8 billion for Ascenty) and October 2019 ($8.4 billion for Interxion), DLR announced two large dilutive M&A deals that, while transformative and beneficial for the overall enterprise, will result in lower FFO per share from YE

2018 to YE 2021. We believe the dilutive nature of these transactions, despite high single digit top-line revenue growth, caused DLR's stock price to underperform Equinix by ~38%. As we look forward, we believe DLR's FFO per share growth is poised to accelerate to over 7% starting in 2022, serving as the catalyst to close the relative valuation gap with Equinix and lead to better relative share price performance. We believe DLR's valuation is attractive, with the company's share price trading at more than a 7x multiple discount relative to Equinix and priced to deliver a ~11% annualized expected total return over the next two years.

In the health care sector, we added U.S.-based Medical Property Trust (MPW) on the heels of the company's early January $735 million equity offering at a 4.5% discount, which we viewed as an attractive entry point. MPW used the proceeds to acquire ~35 behavioral health facilities located in the U.K. for $1.09 billion at a Year-1 GAAP yield of 8.6%. MPW is the largest owner of hospitals globally totalling 431 facilities and ~43,000 beds tied to 50 operators in 33 U.S. states and nine countries such as the U.K., Germany, Switzerland and Australia. We have a more favorable view on hospitals post-COVID than pre-COVID driven by the mission critical nature hospitals served during the pandemic and the growing reliance on hospitals after the pandemic. We believe COVID-19 will create more acquisition opportunities for MPW as hospital systems look to raise capital by selling their real estate to reinvest into their operations. We believe MPW's valuation is attractive with the stock priced to deliver a ~21% annualized expected total return over a two-year holding period.

In the self-storage sector, we added U.S.-based Public Storage, the largest owner of self-storage properties in the U.S. totalling more than 2,500 facilities serving more than one million customers. We believe Public Storage is poised to reverse years of underperformance driven by a renewed emphasis on optimizing the company's chronically under-levered balance sheet to drive earnings growth by acquisitions and utilizing lower cost debt such as senior unsecured bonds rather than preferred shares. Fundamentally, industry occupancy rates are hitting all-time highs driven by a vibrant housing market, higher homeownership rates, more people working from home, an increase in mobility and businesses looking at self-storage units as cheaper last mile industrial space. Pricing power is rising, resulting in higher rents on new customers and market rent growth is strongest in key West Coast and Florida markets where PSA has over 55% of their portfolio (31% in LA, 14% in SF, ~6% in Miami ~3% in Sacramento and 2.5% in Tampa). We believe valuation is attractive, with the company trading at a 2x FFO multiple discount to peer Extra Space, with the stock priced to deliver a 10% annualized expected total return over the next two years.

MARKET OUTLOOK

In our 2021 Global REIT Outlook Report, we highlighted how the delivery of highly effective vaccines and therapeutics will lead to a synchronized global economic rebound starting in 2021 and this, in turn, will have a positive influence on residential and commercial real estate fundamentals, leading to a "REIT-opening" of property sectors that suffered the most during the pandemic.

Through the first week of April, roughly 788 million people or ~10% of the world's population has received a vaccination with 21 countries having administered at least one dose to more than 30% of their population. Leading the charge is the United Kingdom and United States with 47% and 35% of their population receiving at least one dose. In the U.S., over 45% of adults have received a vaccine and the pace of vaccinations is accelerating to over three million people per day, which unlike the U.K., is leading to an easing of government restrictions and facilitating a recovery in mobility trends, such as air-travel and restaurant reservations.

Public market valuations of the "have not" sectors, like lodging, retail, office, senior housing and select multifamily markets, are positively responding, with share prices recovering and the pace of vaccinations playing a critical role in relative performance differences by region. Therefore, we have taken this quarters report as an opportunity to communicate a report card on how these sectors have performed YTD and from the beginning of November when Pfizer made its vaccine announcement.

Lodging stocks have appreciated ~63% (off of very depressed levels) from the beginning of November when Pfizer made its vaccine announcement, meaningfully outperforming other property types and the global benchmark by ~46%. We believe there is significant pent-up leisure demand in the U.S. for both drive-too and now fly-too locations such as Miami, Phoenix, Tampa and Dallas. In the first week in April, U.S. air-travel marked its highest level since the pandemic began (1.56 million people) driving a rapid improvement in occupancy rates nationwide to ~58%. In China, domestic travel is strong with hotel occupancy rates exceeding 60% and RevPAR growth down only 20% compared to 2019 levels. Macau is experiencing a resurgence in gross gaming revenues, up 58% year-over-year and a respectable 14% sequential gain compared to February. Tighter travel restrictions in Canada, Europe, and the rest of Asia-Pacific are negatively impacting occupancy rates which are ~30% in Europe while RevPAR growth in Asia-Pacific is down 54% compared to 2019 levels. We believe that as government restrictions ease, travel demand in Canada, Europe and Asia-Pacific will accelerate with the best recovery opportunities being in Asia, particularly Macau, driven by growing demand from mainland China. Companies with Macau and Singapore exposure have only recovered ~70% of their lost alpha. Although lodging REITs in the U.S. have recaptured all of their lost alpha experienced in the pandemic, we see further upside towards 2018 peak levels, particularly for companies that own hotels in leisure fly-too destination markets.

Retail REITs in North America experienced strong gains in the first quarter, nearly retracting all their losses from the ongoing pandemic. An easing of government restrictions allowing for higher mobility trends, a rebound in consumer spending, a recovery in rent collection rates to 90%+ and a resurgence in leasing demand to pre-pandemic levels from national retailers looking to open new stores have led a sharp recovery in share price performance. Regional mall and shopping centre REITs in North America underperformed the global benchmark during the pandemic by ~30% and ~23% respectively, but from the beginning of November when Pfizer made its vaccine announcement, share prices have recovered ~90% to 95% of their lost alpha. The same cannot be said for retail REITs in Europe and Asia-Pacific as tighter government restrictions limiting mobility and unfavorable consumer spending habits have served as a strong headwind for share price performance. Regional mall and shopping centre REITs in Europe have only recovered 43% and 21% of their lost alpha while in Asia the experience is similar (21% and 38% respectively). We believe the underperformance of retail REITs in Europe and Asia are creating pockets of opportunity, both for pure play companies and REITs that own diversified portfolios of which retail properties are a part. That said, we remain cautious on retail overall and feel the industry may continue to experience headwinds even after COVID.

The performance of office REITs has lagged other reopening trade sectors, gaining only ~31% as companies have remained cautious about bringing employees back to work, fearful of the liability associated with employees getting sick and spreading the virus to their respective family members. We believe, as vaccination rates accelerate and herd immunity becomes more prevalent, office utilization rates will increase, positively influencing share price performance. We anticipate companies will adopt a flexible work-from-home schedule for the near future but that may not mean companies give back large amounts of space. Office REITs in North America underperformed the global benchmark by ~21% duringMultifamily REITs in the U.S. were hit hard during the pandemic, declining ~32% as households fled big cities, leading to higher vacancy rates and declines in market rents of upwards of 25% to 30%, resulting in a material increase in rent incentives to retain existing tenants. We are starting to see a resurgence in demand for multifamily units in hard hit cities such as New York, Boston, San Francisco and Los Angeles as customers look to take advantage of the sharp decline in market rents, more rent incentives and the reopening of restaurants and other cultural activities that cities have to offer. During the first quarter, in-person tour activity and leasing traffic improved, leading to sequential occupancy gains. Since the vaccine announcement, U.S. multifamily REITs have gained ~36%. We believe there is further upside in U.S. multifamily REITs as market rents recover and new lease spreads grow. Elsewhere in North America, Toronto has been, and continues to be, impacted by stringent lockdown measures which are negatively impacting household mobility. We believe an improvement in the pace of vaccinations and the removal of government restrictions will serve as a positive catalyst for the Canadian multifamily sector.

Senior housing facilities have been the one of the hardest hit property types globally as nearly one third of all COVID-19 fatalities were residents living in nursing homes and senior housing properties. Since the start of the pandemic, occupancy rates at U.S. senior housing facilities have faired the worst, declining by nearly 10%, as facilities ceased accepting new patients. Senior housing REITs in the U.S. declined approximately 35% during the pandemic but have recovered only ~64% of their lost alpha. The ratio between move-in and move-out volume is starting to stabilize, potentially marking a sooner than anticipated inflection in occupancy rates. We believe higher occupancy rates over the next 12 to 24 months will positively influence share price performance, helping to recuperate the remaining lost alpha experienced during the pandemic.

We are embracing the global recovery that has already gained traction and we believe an acceleration in the pace of vaccinations globally will serve as the catalyst to fully restore normalcy, leading to further convergence of fundamentals between the "have" and "have not" sectors within the real estate industry. Although certain property types in certain geographies, such as hotels and retail in North America, have recovered a significant amount of their lost alpha, it has a long way to go in Europe and Asia.

Finally, we continue to see attractive investment opportunities in secular growth property types like cell towers, data centres, industrial, self-storage and manufactured homes that are poised to deliver strong long-term growth in a post-COVID world. These property types have largely underperformed since the vaccine announcement and during the first quarter. We believe being balanced to recovery plays and long-term secular growth drivers offer investors the opportunity to fully participate in the short and long-term opportunities available in REITs today.

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