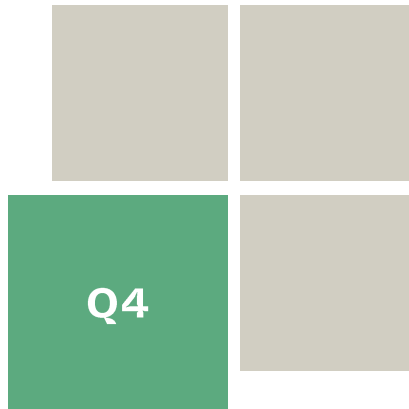




**hazelview**  
INVESTMENTS

# **Hazelview Global Real Estate Fund** **Quarterly Manager Commentary**

**as of December 31, 2025**



## This Quarter

# Market Overview

In 2025, global REIT performance reflected a year defined by macro volatility, shifting investor sentiment, and meaningful divergence in global monetary policy. Early in the year, the combination of heightened trade and policy uncertainty weighed on valuations, despite generally resilient real estate fundamentals. As the year progressed, trade headwinds began to ease and monetary policy became more accommodative across most major economies, supporting an improvement in financial conditions and a rebound in REIT performance during the third quarter. Momentum extended into the early part of the fourth quarter following initial rate cuts by the Federal Reserve, though renewed uncertainty around the pace and durability of future easing led to a modest pullback toward year-end. Against this backdrop, global REITs delivered an 8.3% total return in local currency terms, outperforming global bonds (4.9%) but lagging global equities (18.4%), which were propelled higher by tech and AI-related enthusiasm<sup>1</sup>.

REIT performance varied widely across regions in 2025, led by Japan and Hong Kong, which generated returns of 39.3% (JPY) and 31.5% (HKD), respectively. In Japan, real estate outperformed broader equities amid low vacancy rates and higher inflation, which drove strong rental growth across the office, hotel, and residential sectors. After lagging in recent years, Hong Kong experienced a positive inflection in investor sentiment toward real estate, supported by lower interest rates and improving financial conditions. Singapore also outperformed on a relative basis, supported by strong performance among office, industrial and retail REITs.

Canada also outperformed the global benchmark in 2025, generating a total return of 11.8% (CAD). Performance across

the market varied, with strength concentrated in senior housing, where operators such as Chartwell Retirement Residences delivered returns of 37.8% (CAD). Despite elevated inflation and fiscal concerns, the U.K. outperformed on a relative basis delivering a total return of 11.1% (GBP) with retail and storage leading the way.

Australia lagged its Asia-Pacific peers and slightly trailed the global benchmark, driven by Goodman Group, Australia's largest global benchmark constituent, which declined -12.3% (AUD). In February, the company raised \$4 billion (AUD) to invest in the development of its data center landbank, which heightened investor concerns around capital intensity and execution risk.

Continental Europe also modestly underperformed in 2025 as the region faced headwinds in the back half of the year from weaker economic growth and a pause in rate cuts by the ECB. Within the region, Germany and Sweden were among the largest detractors, declining -13.4% (EUR) and -8.6% (SEK), respectively, while Spain and the Netherlands generated impressive returns of 21.5% and 30.9% (EUR).

U.S. REITs were the weakest performing major region in 2025. In our view, this primarily reflected a more restrictive U.S. monetary policy stance relative to other major economies, which kept interest rates higher for longer than anticipated and weighed on investor sentiment.

Sector performance in 2025 also exhibited pronounced dispersion as divergent supply and demand dynamics drove materially different outcomes across property types. Cold storage and life science were the weakest performing sectors, declining -46.1% and -36.5%, respectively, as elevated supply and softer demand weighed on occupancy rates and rent growth.

Despite heightened investor enthusiasm towards AI, data center REITs lagged in 2025 following strong outperformance in 2023 and 2024. The residential sector was also a notable laggard in 2025. Single family rental and multifamily REITs declined -10.2% and -6.3%, respectively. U.S. multifamily operators experienced a weaker than anticipated peak leasing season, while Canadian multifamily REITs were impacted by higher supply and lower immigration levels resulting in weaker demand. The German residential sector also underperformed, despite solid operating results from companies like Vonovia as investor skepticism around private market valuations and a shift in capital toward growth-oriented equities affected performance. In contrast, Australian residential fared much better, with Stockland and Ingenia Communities posting total returns of 25.1% and 14.8% (AUD), respectively.

Healthcare was the standout sector in 2025, posting a total return of 36.1%. Senior housing fundamentals strengthened meaningfully throughout the year as robust demand from aging demographics, combined with decade-low levels of new supply, supported material gains in occupancy, rental rates, and NOI margins.

1. Bloomberg LP. Data as of December 31, 2025. Global REITs represented by the FTSE EPRA NAREIT Developed Total Return Index in local currency. Regional returns represented by their respective FTSE EPRA NAREIT Total Return regional sub-indices. Individual company total returns over holding period in local currency.

# Performance

The portfolio declined by -2.5% during Q4 2025, underperforming the benchmark by 51 basis points. This underperformance mainly stemmed from the portfolio's exposure to data centre REITs in the U.S. and Hong Kong as well as exposure to select holdings within the U.S. office and self-storage sector. Exposure to the U.S. healthcare sector and diversified Japanese C-corps contributed positively to performance during the period.

Within the Hong Kong data centre sector, SUNeVision detracted from performance during the quarter, declining -31.7% (HKD). We believe China and U.S. geopolitical tensions around AI chips created a headwind for the tech sector causing the company's share price to underperform. In addition, the company's share price faced pressure following news of a major tenant delaying their commitment to lease 30% of their Mega IDC data centre. We believe that this is a temporary delay and that there are several high-quality Chinese hyperscale customers that will be interested in leasing the space if the previous tenant chooses not to. Looking ahead, demand for hyperscale data centre capacity in Hong Kong is expected to accelerate as cloud adoption and AI deployment continues to expand across the region. The colocation market is forecast to grow at a five-year CAGR of 14.8%, driven primarily by hyperscale demand growing at 15.9%, benefiting operators like SUNeVision.

In the U.S. data centre sector, Digital Realty Trust detracted from performance during the quarter, declining -9.8% (USD) despite reporting operational results that beat expectations for the third quarter and raising full-year guidance. Digital Realty Trust and other data centre operators faced headwinds stemming from uncertainty about the sustainability of AI capex spending and fears around circular reference deals involving large AI companies like OpenAI. We continue to maintain a positive outlook on data centres as AI training and inference increase in scale while supply remains considerably constrained by the lack of power availability. This supply-demand backdrop has driven vacancy rates to historic lows, reaching just 1.6% in the third quarter of 2025, with colocation vacancy below 1% across the top ten U.S. data centre markets.

In the U.S. office sector, SL Green detracted from performance declining -22.5% (USD) for the quarter. Despite

## Portfolio Metrics

Number of Positions	41
Current Yield	7.2%*
Active Share	72.2%

Top 10 Holdings	Sector	Asset Class	Country	% of NAV Assets
Hazelview Alternative Global Real Estate Fund	Diversified	Common Equity	Canada	8.2%
Prologis	Industrial	Common Equity	United States	6.2%
Equinix	Technology REITs	Common Equity	United States	5.2%
Sonida Senior Living	Healthcare	Common Equity	United States	5.0%
Cubesmart	Self Storage	Common Equity	United States	4.0%
Digital Realty Trust	Technology REITs	Common Equity	United States	3.5%
Ventas	Healthcare	Common Equity	United States	3.3%
Camden Property Trust	Multifamily	Common Equity	United States	3.3%
Simon Property Group	Regional Mall	Common Equity	United States	3.2%
Goodman Group	Industrial	Common Equity	Australia	3.0%

Annualized Returns <sup>1</sup>	QTD	YTD	1 Year	3 Year	5 Year	Since Inception <sup>2</sup>
Net Fund Returns	-2.5%	4.5%	4.5%	7.6%	3.2%	3.2%

\*Represents current yield of HGREF Class F as of December 31, 2025, Bloomberg LP. 1. The returns are based on Class F units, net return (CAD). 2. July 7, 2015. 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 follows (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 follows (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 in local currency.



positive occupancy and leasing trends, the company's shares declined after reporting its third quarter earnings results. SL Green's complex business model, which includes debt and preferred equity investments, creates noise within their operational results. This complexity resulted in weaker than expected FFO per share growth which weighed on the company's stock price. In addition, the election of Zohran Mamdani served as a headwind for SL Green's stock price as the market viewed the new mayor's platform as bad for the business community. Nevertheless, we continue to believe New York's office fundamentals will remain strong supporting continued gains in occupancy and asking rents in 2026.

In the U.S. self-storage sector, CubeSmart saw its share price decline by -10.2% (USD) during the quarter. The overall U.S. self-storage sector experienced a challenging quarter as operational headwinds tied to a sluggish housing market resulted in tepid new demand that weighed on CubeSmart's stock price. The company's third quarter results delivered FFO in-line with expectations with a modest full-year guidance raise, reflecting a stabilization in demand. We believe valuation is attractive, especially as sector fundamentals and sentiment should gradually improve over the next 12 months with our underwriting indicating the company trading at a 23.5% discount to its intrinsic value.

In the U.S. healthcare sector, Sonida Senior Living and Ventas contributed positively to performance generating total returns of 17.6% and 11.2% (USD), respectively. Sonida Senior Living outperformed following news of a strategic merger with CNL Healthcare Properties. The transaction, valued at an estimated \$1.8 billion (USD), considerably increases Sonida's portfolio to ~14,700 units and cements them as the eighth largest owner of senior living assets in the U.S. We continue to have a positive view of the senior housing sector in the U.S. and Sonida Senior Living as a key operator within the space. Meanwhile, Ventas delivered impressive third quarter earnings results on the back of strengthening senior housing fundamentals. The company reported normalized FFO per share increasing 10% and same-store NOI increasing 7.8% year-over-year while also raising its full-year 2025 FFO and acquisition guidance. We believe Ventas is taking advantage of its cost of equity to purchase assets that are immediately accretive to earnings which should lead to higher bottom-line growth over the next 12 months.

In Japan, Tokyu Fudosan also saw strong performance during the quarter, posting a total return of 16.3% (JPY). Japanese real estate continued to see exceptionally strong performance during the quarter across multiple property types driven by higher rent growth and lower vacancies in prime markets like Tokyo. Tokyu Fudosan's multiple business segments across property management, development and real estate brokerage benefited considerably from this dynamic. In particular, the company reported strong operating profit growth driven by robust demand in the condominium and real estate sales agency segments amid a more favourable property market, as well as an increase in hotel earnings fueled by higher inbound tourism.

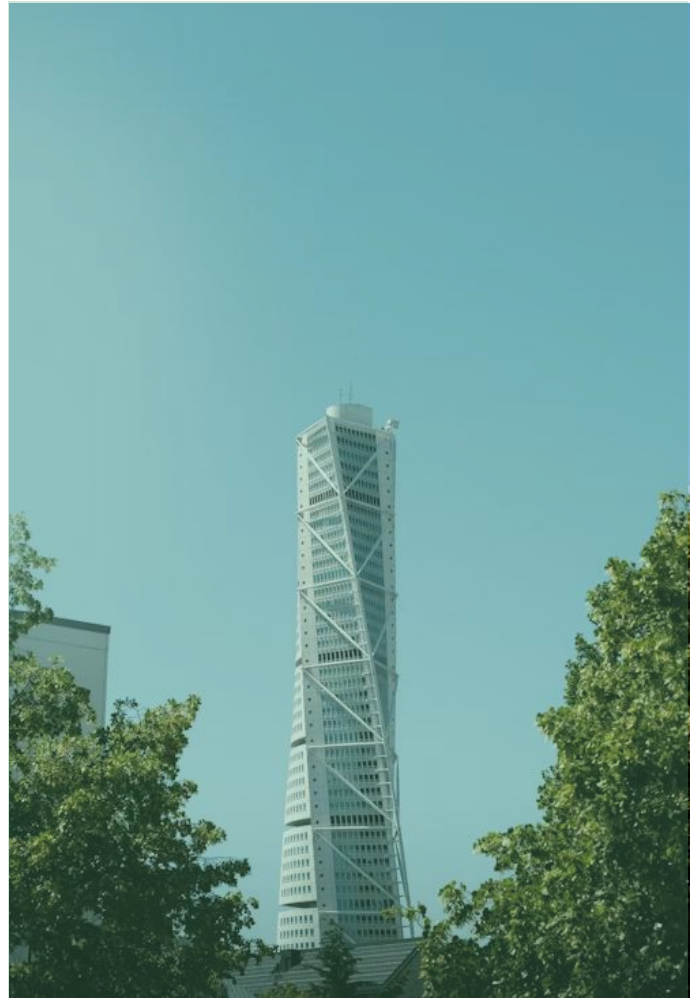


# Portfolio Changes

During Q4 2025, we reduced exposure to the U.S., Spain, and Japan while adding exposure to Canada, the U.K. and Sweden. In terms of sector changes, we decreased exposure to office, technology REITs, hotels and homebuilders while adding exposure to the industrial, single-family rental and shopping centre sectors. Throughout the period, we added five new common equity positions while exiting four, strategically reallocating capital to investment opportunities that our underwriting screens as most attractive.

In the U.S. triple net lease space, we added Broadstone Net lease. Broadstone is an industrial-focused, diversified net lease REIT that invests in single-tenant commercial real estate properties that are leased on a long-term basis. The company's portfolio spans 759 properties across 44 states and four Canadian provinces. We believe Broadstone represents one of the best investment opportunities within the triple net lease sector today with the stock trading at a 11.7x 2026 AFFO multiple, among the lowest of its peers, despite the company having a better than peer average growth profile.

In Continental Europe, we added two new holdings throughout the quarter. In Sweden, we added office and industrial operator Castellum, one of the largest Nordic commercial real estate companies. Castellum's portfolio of 677 properties is concentrated in attractive growth markets within Sweden, Denmark and Finland. The majority of Castellum's assets are office buildings but they also own industrial properties and retail centres. Our underwriting indicates Castellum is poised



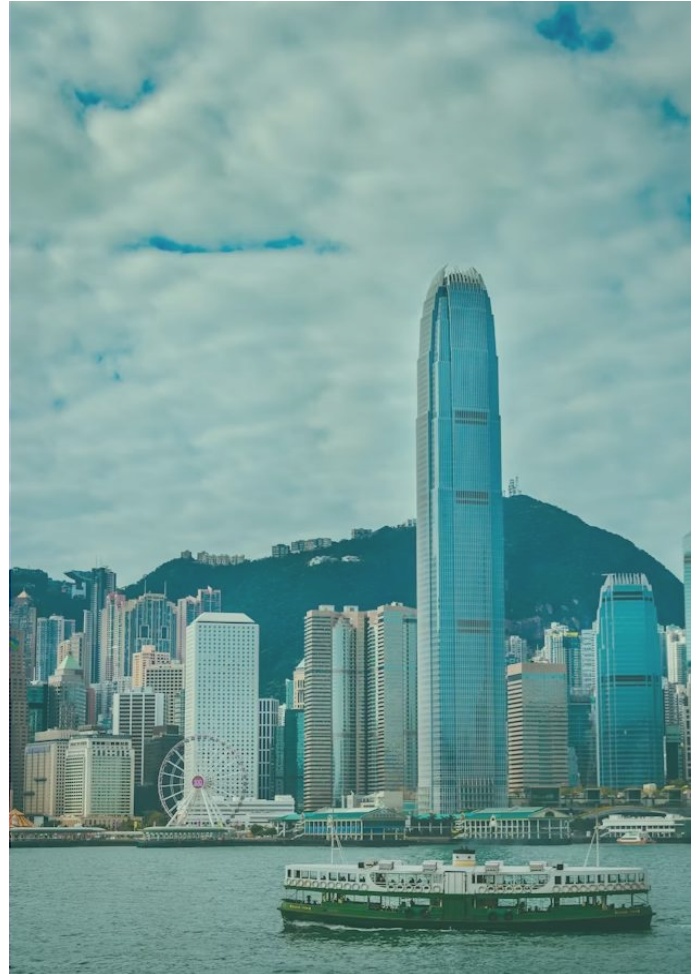
Portfolio Allocation By Region*	% of NAV Assets as of Q4 2025	% of NAV Assets as of Q3 2025	Change in period
United States	53.6%	56.4%	-2.8%
Australia	5.8%	5.7%	0.1%
Germany	5.5%	5.9%	-0.4%
Canada	5.4%	4.5%	0.9%
Japan	5.3%	6.5%	-1.2%
Singapore	3.3%	3.9%	-0.6%
Hong Kong	2.6%	2.6%	0.0%
Ireland	2.3%	3.4%	-1.1%
United Kingdom	1.8%	0.9%	0.9%
Sweden	1.4%	0.0%	1.4%
Netherlands	1.4%	2.4%	-1.0%
Belgium	0.8%	0.0%	0.8%
Spain	0.6%	2.6%	-2.0%
Cash & Other	1.9%	1.2%	0.7%

\*Mutual Fund holdings are excluded from regional exposures.

for outperformance in 2026 as floating rate debt costs decline (which make up a large portion of its debt structure), and real estate fundamentals improve in Sweden following a challenged period. In Belgium, we added senior living REIT Aedifica which specializes in senior housing/care homes for the elderly with a portfolio of over 600 properties across Europe. In the spring of 2025, Aedifica agreed to merge with Cofinimmo, aiming to create Europe's largest healthcare REIT with a combined gross asset value of ~€12 billion. We view the combined company as benefiting from a similar dynamic to that of North American senior housing operators where aging demographics leads to outsized demand, higher revenues and attractive earnings growth.

In Asia, we added two names to the portfolio during the quarter. In Hong Kong, we added shopping centre operator Link REIT. Link REIT is one of the largest REITs within the APAC region, boasting a portfolio which spans mainland China, Hong Kong, Singapore, Australia and the U.K. worth ~\$226 billion (HKD). We believe that the combination of improving retail fundamentals, a high-quality portfolio, and a potential inclusion in the Hong Kong Stock Connect system will lead to outperformance. In Japan, we added industrial operator, Nippon Prologis REIT. The company owns and manages modern logistics facilities in Japan, focusing on high-quality ("Class-A") properties in major markets like Greater Tokyo and Osaka. The company is sponsored by U.S. logistics giant Prologis, which provides ongoing support in terms of acquisition pipeline, development management, operational expertise and access to global customer networks. We believe modern warehouses in prime areas within Japan should see enhanced rental growth potential as landlords convert leases to include annual CPI escalations and e-commerce penetration

grows within the region. We feel the operating fundamentals for modern logistics facilities in Japan has hit an inflection point, with lower vacancies and a higher rental growth outlook to soon follow for Nippon Prologis REIT.



Asset Class as % of NAV	Q4 2025	Q3 2025	Change in period
Common Equity	90.8%	93.1%	-2.3% <span style="color: red;">■</span>
Direct	4.7%	2.9%	<span style="color: green;">■</span> 1.8%
Fixed Income	2.7%	2.8%	-0.1% <span style="color: red;"> </span>
Cash & Other	1.9%	1.2%	<span style="color: green;">■</span> 0.7%

Portfolio Allocation By Sector*	% of NAV Assets as of Q4 2025	% of NAV Assets as of Q3 2025	Change in period
Industrial	17.2%	13.0%	<span style="color: green;">■</span> 4.2%
Technology REITs	13.5%	15.1%	-1.6% <span style="color: red;">■</span>
Healthcare	10.7%	11.8%	-1.1% <span style="color: red;">■</span>
Multifamily	10.7%	10.8%	-0.1% <span style="color: red;"> </span>
Diversified	8.5%	10.7%	-2.2% <span style="color: red;">■</span>
Single Family Rental / MHC	4.7%	3.9%	<span style="color: green;">■</span> 0.8%
Office	4.4%	6.7%	-2.3% <span style="color: red;">■</span>
Hotel	4.3%	5.8%	-1.5% <span style="color: red;">■</span>
Self Storage	4.0%	5.0%	-1.0% <span style="color: red;">■</span>
Specialty / Triple Net Lease	3.9%	3.5%	<span style="color: green;">■</span> 0.4%
Shopping Centre	3.3%	2.9%	<span style="color: green;">■</span> 0.4%
Regional Mall	3.2%	2.9%	<span style="color: green;">■</span> 0.3%
Homebuilder	1.4%	2.6%	-1.2% <span style="color: red;">■</span>
Cash & Other	1.9%	1.2%	<span style="color: green;">■</span> 0.7%

\*Mutual Fund holdings are excluded from sector exposures.



# Market Outlook

Since the start of 2020, global REITs have generated a cumulative total return of just 10.5%, compared with 111.9% for global equities<sup>1</sup>. This extended period of underperformance reflects an unusually challenging backdrop for real estate, defined by two successive shock events: the COVID-19 pandemic and one of the most aggressive global monetary tightening cycles in modern history. Together, these forces disproportionately impacted commercial real estate, driving a sharp compression in valuations and a deterioration in investor sentiment.

Today, investor sentiment towards real estate remains remarkably low. In our view, current market positioning is reminiscent of the periods preceding the 2000 tech crash and following the global financial crisis. From such low levels of sentiment, even a modest improvement in investor confidence or a partial rotation out of more crowded sectors could have a profound impact on fund flows into real estate.

Looking forward, the fundamental and macro backdrop for real estate entering 2026 is materially more constructive. New supply is declining across most major property types globally, demand for space remains resilient, and pricing power has re-emerged. Against this backdrop, REIT earnings globally are projected to grow by 7.2% in 2026<sup>2</sup>. We view this attractive earnings growth as another important piece of the public real estate mosaic for the year ahead.

Taken together, we believe global REITs are poised to transition out of this atypical period of underperformance and into an environment where performance more closely resembles the two decades preceding the pandemic. During that period, global REITs generated annualized returns of approximately 9.4%, over five times higher than their annualized returns since 2020, supported by favorable supply-demand dynamics, strong earnings growth, and healthier investor sentiment.

A cornerstone of our outlook for global REITs in 2026 lies in the improving fundamental landscape, led by declining supply trends across major property types. After several years of elevated development activity in select sectors, construction starts have fallen meaningfully as higher costs, labor shortages, and more restrictive development financing constrain new projects. As a result, new supply as a percentage of existing inventory is expected to continue declining over the next 24 months, enhancing pricing power for incumbent owners and supporting stronger rental growth and earnings expansion. This dynamic is evident across most developed markets, including the U.S., Europe, Canada, Australia, Japan, Singapore, and South Korea.

The demand side of the equation is also expected to remain resilient in 2026, forming another key piece within the

broader real estate mosaic. Occupancy rates for major property types in most geographies are at or above historical averages, reflecting steady tenant demand despite a more subdued macro environment. Even in challenged sectors like office, premium assets continue to see stronger absorption as tenants gravitate towards higher-quality space amid limited supply in prime locations.

While the improving fundamental backdrop provides REITs with a solid foundation for growth, we believe valuations represent the most compelling piece of the public real estate mosaic entering 2026. Trailing 10-year returns for REITs across the U.S., Europe, Asia-Pacific, and globally are at or near cyclical lows. Historically, when global REIT trailing 10-year returns decline toward ~4%, that has marked an attractive entry point for investors, followed by meaningfully above-average forward returns. Entering 2026, trailing 10-year returns stand at the 4.2% level globally, approximately 5.0% in the U.S. and 0.5% in Europe, placing each of those regions firmly within its historical “buy zone”.

This signal is reinforced by relative valuation metrics. After underperforming global equities for much of the past six years, REITs now trade at valuation discounts that rank among the widest observed in decades. Global REITs are trading at their lowest price-to-cash-flow multiple relative to global equities in roughly 20 years. A similar conclusion emerges on an EV/EBITDA basis, where REITs also trade at historically low levels versus the broader equity market. In our view, this valuation gap highlights how REITs are too cheap to ignore heading into 2026.

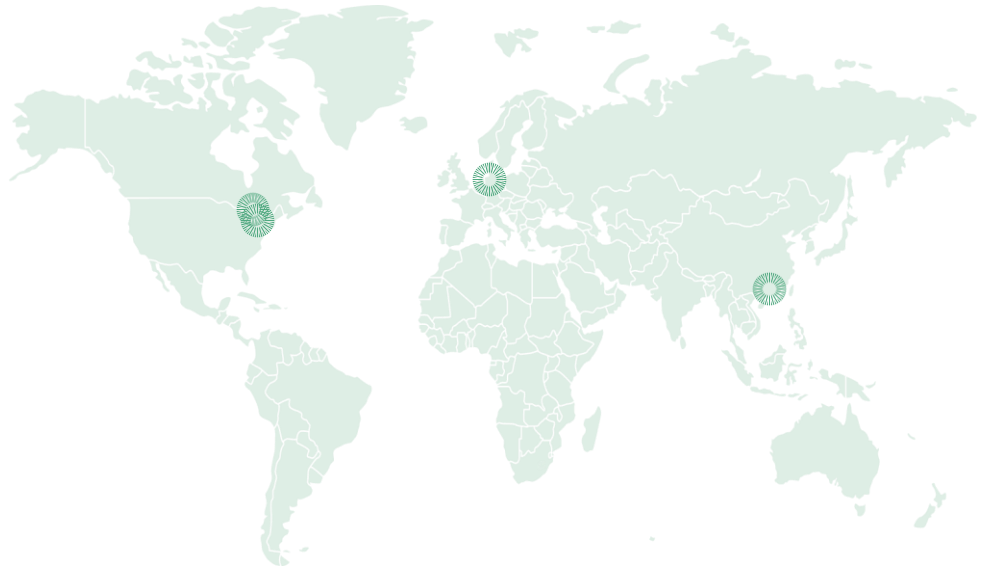
Importantly, this valuation disconnect has not gone unnoticed by REIT management teams, many of which are actively repurchasing shares at significant discounts to intrinsic value. U.S. REITs provide a clear signal of this dynamic with remaining share buyback authorizations estimated at 4.5% of aggregate equity market capitalization. In the third quarter of 2025, U.S. REITs repurchased \$1.26 billion (USD) worth of stock, 138% more than the third quarter of 2024.

REITs also screen attractive on an absolute basis. Hazelview's internal valuation models suggest that REITs are priced at a -17.0% discount to intrinsic value, defined as a blend of NAV and Cash Flow. This implies over 20% upside in price from current levels<sup>3</sup>.

**As a result, we continue to believe REITs are too cheap to ignore as we enter 2026 and the opportunity set for active managers is particularly compelling as the dispersion across sectors, regions, and individual companies is wide.**

1. Bloomberg LP, Global Equities represented by the MSCI World Index. Global REITs represented by the FTSE EPRA NAREIT Developed Total Return Index. Timeframe from January 2, 2020 – December 31, 2025. Returns presented in USD. 2. UBS Global Research, priced as of December 31, 2025. 3. Hazelview Underwriting. Data as of January 7, 2026.

## Meet the Team



**Corrado Russo**  
MBA, CFA

Managing Partner &  
Chief Investment Officer,  
Public Real Estate  
25+ years experience  
**Toronto**



**Sam Sahn**  
MBA

Managing Partner  
Portfolio Manager  
20+ years experience  
**New York**



**Claudia Reich Floyd**  
MBA

Managing Partner  
Portfolio Manager  
20+ years experience  
**Hamburg**



**Darren Murray**  
CFA, CAIA

Managing Partner  
Client Portfolio Management  
10+ years experience  
**Vancouver**



**Dario Maric**

Associate, Global Securities  
Investments  
5+ years experience  
**Toronto**



**Sarah Ekho**

Associate, Global Securities  
Investments  
2+ years experience  
**Hamburg**



# Contact Us

**For more information, please contact:**



**Jennifer Williams**

Managing Partner,  
Head of Retail Sales  
416.358.7367  
jwilliams@hazelview.com

**Toronto**

1133 Yonge Street  
4<sup>th</sup> Floor  
Toronto, ON  
Canada M4T 2Y7  
416.923.9967

**New York**

535 Fifth Avenue  
4<sup>th</sup> Floor  
New York, NY  
United States 10017  
1.844.304.9967

**Hamburg**

Hohe Bleichen 8  
6<sup>th</sup> Floor  
20354 Hamburg  
+49 40 55 55 36 - 0

**Hong Kong**

9/F, KONNECT  
303 Jaffe Road  
Wan Chai, Hong Kong  
+852 2973 1221

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