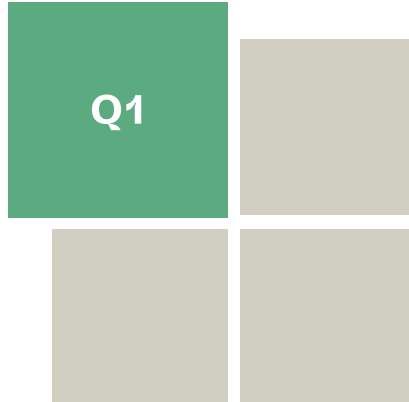




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INVESTMENTS

Hazelview Alternative Real Estate Fund (HREAL) Quarterly Manager Commentary

as of March 31, 2026



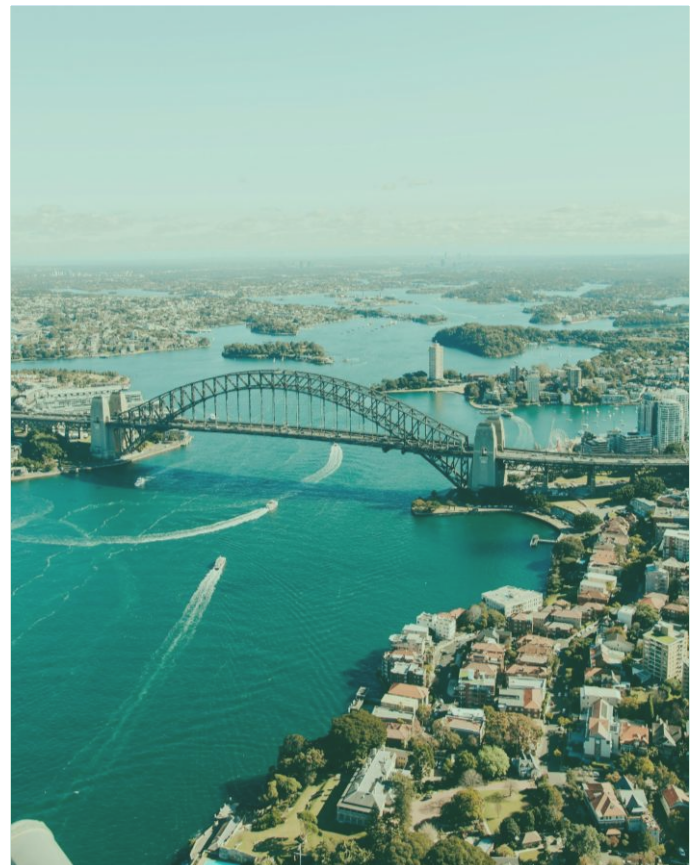
This Quarter

Market Overview

The first quarter of 2026 was marked by a significant increase in commodity prices and equity market volatility driven by escalating geopolitical tensions in the Middle East and fears around AI disruption. Global REITs started the year off strong, gaining 10.4% (local currency) in January and February as investors gravitated towards asset heavy sectors viewed as less exposed to direct disruption from artificial intelligence applications. In March, an increase in geopolitical uncertainty from the U.S.-Iran conflict led to a 50%+ spike in the price of oil, ending the month over \$100 per barrel. Higher oil and gas prices led to renewed fears of higher inflation resulting in rising bond yields with expectations for further central bank rate cuts being walked back. The combination of higher commodity prices, higher rates and concerns about the sustainability of global economic growth resulted in a selloff in equity markets in the month of March, causing REITs to retrace most of their gains for the year, declining -8.0% (local currency) into quarter-end. Overall, global REITs eked out a positive total local currency return of 1.6% but materially outperformed global equities by over 475 basis points¹.

Hong Kong led the way as the best performing market in Q1, gaining 15.4% (HKD). Stronger demand in the residential sector served as a positive catalyst for companies with exposure to this segment of the market. U.S. REITs also outperformed, gaining 4.9% (USD). M&A activity picked up in the first quarter with Veris Residential and National Storage Affiliates Trust accepting takeout offers at premiums to their previous day closing price of ~13% (USD) and ~35% (USD) respectively, resulting in a total transaction size of \$3.4 billion and \$10.5 billion. We expect to see more M&A activity if U.S. REITs continue to trade at large valuation discounts.

The U.S. market also saw the IPO of Janus Living, a newly established senior housing REIT. The IPO was highly successful resulting in a gain of ~18% on its first day of trading. During the quarter, Canadian REITs lagged relative to global peers but still delivered a slightly positive total return of 1.0% (CAD). Canadian retail REITs outperformed during the period while multifamily and office REITs generated negative returns. Japan also underperformed -1.2% (JPY) but within Japan, C-corps meaningfully outperformed REITs by 12% (+5.0% vs. -7.0%). Japanese REITs experienced headwinds from the prospect of higher interest rates from the Bank of Japan while C-corps benefited from the recycling of non-core assets and improvements in corporate governance. Continental Europe declined -2.8% (EUR), while the U.K. meaningfully underperformed falling -8.5% (GBP). Overall, share prices in Europe suffered from inflation headwinds stemming by the U.S.-Iran conflict as the region is more economically exposed to higher oil and energy prices. Switzerland generated a +9.9% (CHF) total return, serving as a beacon of safety in periods of greater uncertainty while Germany was the worst performing market, delivering a return of -10.3% (EUR), dragged down by the performance of multifamily REITs Vonovia and LEG Immobilien. Australia was the worst performing region in the quarter, declining -16.5% (AUD). Australian REITs were weighed down by higher interest rates from the Reserve Bank of Australia which raised its policy rate twice during the quarter to bring inflation closer to target. REITs with exposure to property types that are most sensitive to higher rates, like residential, underperformed the most.



Performance

The Fund generated a return of 1.5% on a net basis during the quarter. The strategic management of beta exposure meaningfully reduced volatility, especially in March, and added an incrementally positive return over the quarter. The uncorrelated alpha component also contributed modestly to performance during the quarter as well as the Fund's USD currency hedge. The long-only component of the Fund's performance was supported by overweight exposure to data centres which outperformed and select names that generated notable returns within the U.S. region. However, security selection within Europe was a drag on performance over the quarter.

Long-Only

Within the U.S., the portfolio's exposure to commercial real estate (CRE) broker CBRE and office REIT SL Green detracted from performance. Their share prices declined by -15.8% and -18.1% (USD) respectively, as those sectors were swept up in the broader AI trade selloff. We believe the implementation of AI tools will drive efficiencies and enhance CBRE's margins, leading to better earnings growth in the future and we do not view AI as a fundamental threat to the company's business model. Similarly, fears around AI displacing white-collar workers leading to higher unemployment and less office leasing caused SL Green to underperform in the quarter.

To date, there is no credible evidence that AI is affecting unemployment in any material way, especially in NYC. In fact, office leasing volume in NYC in Q1 totaled 10.4 million square feet, which is 41% above the 2020-2024 average, signaling demand for office space is strong.

Within Belgium, self-storage operator Shurgard declined -15.0% (EUR) during the quarter, detracting from performance. Shurgard saw a pullback in its stock price as market speculation around a possible takeover transaction did not materialize, resulting in short-term investors exiting their position. Additionally, Shurgard experienced increased competition in the U.K. which created a softer pricing environment and weaker operating results in that market. New self-storage developments require aggressive pricing to build and stabilize occupancy and the increasingly competitive environment led to a more cautious earnings growth outlook for fiscal year 2026. That said, we continue to view the company's long-term earnings growth profile of 6-8% from 2027-2030 as attractive given the company's current valuation is deeply discounted with the shares trading at an estimated -47% discount to NAV.

Within the U.S. data centre sector, Equinix and Digital Realty Trust contributed positively to performance with respective gains of 28.6% and 17.3% (USD). Increased AI infrastructure spending announcements from hyperscalers like Google, Amazon and Meta have further bolstered future leasing expectations and pricing power for operators like Equinix and

Annualized Returns¹

	QTD	YTD	1 YR	2 YR	3 YR	SI ²
HREAL	1.5%	1.5%	3.8%	9.7%	8.9%	8.4%

Asset Class	Long	Short	Net
Common Equity	165.1%	-74.6%	90.5%
Fixed-Income	6.4%	0.0%	6.4%
Direct	2.5%	0.0%	2.5%
Public Derivative	0.3%	-0.2%	0.2%
Cash & Other	0.4%	0.0%	0.4%
Total	174.8%	-74.8%	100.0%

Since Inception Metrics	HREAL	Benchmark
Sortino Ratio	1.2	1.0
Upside Capture	89.4%	N/A
Downside Capture	74.7%	N/A

Top 10 Holdings*

	Sector	Asset Class	Country	% of NAV Assets
Digital Realty Trust	Data Centre	Common Equity	United States	9.7%
iShares US Real Estate ETF	Diversified	Common Equity	United States	9.1%
CubeSmart	Self Storage	Common Equity	United States	6.6%
Gaming And Leisure Properties	Triple Net Lease	Common Equity	United States	6.2%
Welltower	Healthcare	Common Equity	United States	6.0%
Essential Properties Realty Trust	Triple Net Lease	Common Equity	United States	5.8%
Chartwell Retirement Residences	Healthcare	Common Equity	Canada	5.0%
Prologis	Industrial	Common Equity	United States	4.8%
Macerich	Regional Mall	Common Equity	United States	4.4%
Avalonbay Communities	Multifamily	Common Equity	United States	4.4%

1. The returns are based on Class F-1 units, net return (CAD), returns less than 1 year are not annualized. 2. January 18, 2023. All data as of March 31, 2026. Benchmark is the FTSE EPRA NAREIT Developed Total Return Index. *Long position holdings.

Disclaimer: Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Digital Realty Trust. Both companies also reported impressive fourth quarter earnings results with Equinix seeing record fourth quarter annualized gross bookings up 42% year-over-year while Digital Realty Trust saw revenue and EBITDA increase +14%. We continue to believe surging AI demand and power constraints will lead to outsized earnings growth for U.S. data centre operators in 2026.

Lastly, within the U.S. multifamily sector, Veris Residential returned an impressive 26.6% (USD), positively contributing to performance on the back of a privatization announcement. The \$3.4 billion deal was undertaken by a consortium of investors at a premium of 13.3% to its last closing price. The transaction is expected to close in the second quarter of the year and represents the culmination of a multi-year repositioning strategy by the management team. Following the announcement and subsequent rise in share price, we strategically exited the name and reallocated the capital to opportunities with a higher expected return.

Uncorrelated Alpha

In terms of uncorrelated alpha and pairs trading, successful pairs within the U.S. region, particularly in the multifamily and self-storage space contributed positively to performance. Both National Storage Affiliates and Veris Residential announced takeout / M&A deals at respective premiums of 34.7% (USD) and 13.3% (USD) to their last closing price. The short side of the pair trade for National Storage Affiliates was represented the broader U.S. REIT market which underperformed relative to the company's return. For Veris Residential, the short side of the pair trade was represented by a basket of U.S. multifamily REITs which underperformed overall given increasing bond yields in March and supply headwinds. The Fund's regional pair trade which included a long position in a U.S. REIT ETF also contributed positively versus an international REIT on the short side. Select pair trades within the U.S. data centre, office and healthcare sectors were not successful.

Dynamic Beta

Net beta exposure fluctuated between 70% to mid-90% during the quarter. The Fund began increasing market exposure ahead of earnings season at the end of January as REITs were poised to price in another year of stable growth. After a strong market move for REITs in February, the Fund reduced beta before the US-Iran conflict selloff in March. Following the sharp market decline in March, the Fund again increased market exposure as valuations became more attractive, ending the quarter with ~90% beta exposure. These strategic shifts in beta exposure significantly reduced volatility during the quarter.



Market Outlook

In our [2026 Outlook Report](#), we spoke to how the fundamental backdrop for real estate entering 2026 is materially more constructive than the past few years: new supply is declining across most major property types globally, demand for space remains resilient, and pricing power has re-emerged. Fast forward three months and the year-end reporting season has pointed to strengthening real estate fundamentals globally with data centres, healthcare, industrial, retail and hotels all exhibiting operational strength.

We also wrote about how we believed global REITs were 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% (USD), over five times higher than their annualized returns since 2020, supported by favorable supply-demand dynamics, strong earnings growth, and healthier investor sentiment. Fast forward three months and global REITs have outperformed global equities by over 475 basis points.

In our 2026 Outlook Report, we also touched upon how investor sentiment towards real estate was remarkably low, 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 investor desire to increase exposure to REITs.

During the first quarter of 2026, elevated fears around AI disruption sparked selloffs across multiple sectors ranging from SaaS (software as a service) to wealth management. The threat of AI replacing or competing with these service-based businesses has put their future earnings growth into question. Real estate has been an early net beneficiary of this trend as capital has increasingly rotated towards sectors with business models and cash flows perceived to be more insulated from wholesale disruption, a dynamic that has been described as the "AI Immunity" or "HALO" (heavy assets, low obsolescence) trade.

The REIT business model appears to be relatively more insulated from direct AI disruption because it is underpinned by several structural advantages. First, REIT cash flows are supported by contractual property rights. Rental income is typically governed by enforceable leases that define rent escalators, renewal options, and default remedies. This provides a degree of cash flow visibility and stability that is difficult to replicate in many other industries. While competition among landlords certainly exists, there is no comparable AI displacement threat to the underlying business model itself. This stability also gives investors and management teams greater confidence in assessing future

earnings growth and making capital allocation decisions, particularly relative to businesses facing more uncertainty around the durability of their future cash flows.

Second, commercial real estate benefits from physical scarcity and supply constraints that are not easily displaced by technology. Real estate is constrained by location, zoning or entitlement restrictions, infrastructure access (roads, utilities), and construction timelines. Unlike a SaaS customer, a tenant cannot simply use AI tools to create a substitute for well-located real estate. AI can improve efficiency across parts of the real estate value chain, but it cannot create new land in high-demand areas or eliminate the physical bottlenecks that support asset values.

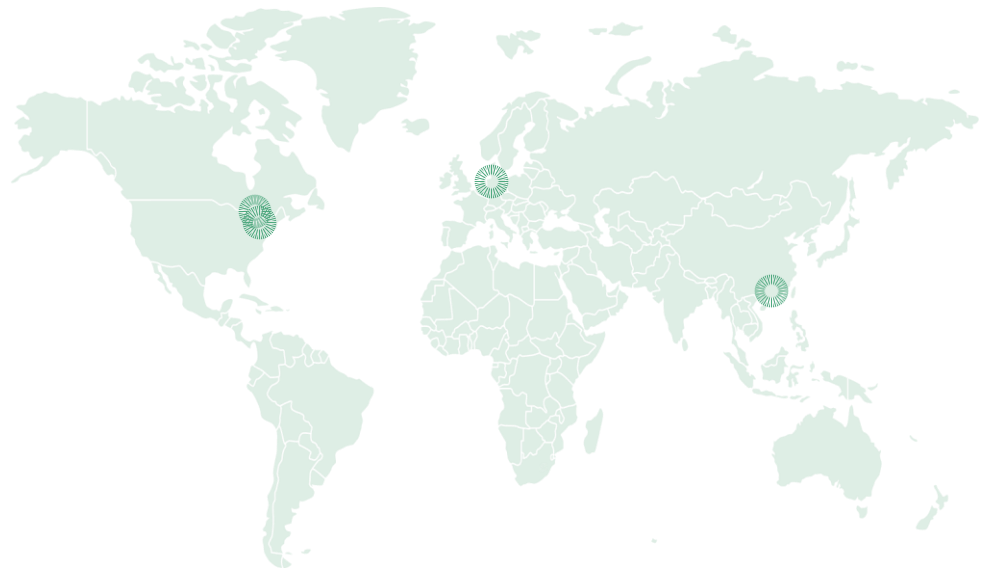
Lastly, commercial real estate is tied to physical rather than digital-end demand. Even in an increasingly digitized economy, major categories of demand remain physical. People need places to live, goods require storage and distribution, and many retail or service formats remain location dependent. For AI to represent a fundamental disruption to the REIT model, it would need to materially reduce the need for space itself or impair a landlord's ability to monetize that space. For these reasons, we believe REITs and other real asset classes appear to possess a structural "moat" that AI cannot easily displace directly.

While this market trend is still novel, the value proposition of this moat can also be inferred from the lower correlation REITs have demonstrated with broader equities in the first two months of the year (before conflict escalations in the Middle East in March). Although broader equity markets (represented by the S&P 500) are forecasted to post strong first quarter earnings growth, this is mostly attributed to the same technology names that have been facing AI disintermediation pressure. When the information technology sector is excluded from these estimates, the real estate sector within the S&P 500 outpaces the rest of the index in terms of year-over-year earnings growth.

As it relates to the geopolitical situation in the Middle East and subsequent rise in energy prices, inflation expectations and bond yields, we have yet to see an impact on real estate fundamentals more broadly. Fundamental trends that were in place prior to the war remain in place today. However, if the geopolitical situation and higher energy prices persist for an extended period resulting in even higher bond yields, slower growth and higher interest rates from central banks to dampen inflation, that environment could pose a headwind for the real estate sector more broadly.

Nevertheless, we continue to view the fundamental setup for global REITs as it stands today as positive, supported by the same investment thesis we held entering 2026. This includes declining global new supply, coupled with resilient demand leading to better pricing power for operators, as well as compelling valuations with 10-year trailing returns at or near cyclical lows and global REITs still trading at historically wide discounts to global equities.

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