

HEITMAN

Heitman America Real Estate Trust

Quarterly Report

March 31, 2022



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Note: Heitman America Real Estate Trust (the “Fund”) is comprised of Heitman America Real Estate Trust, L.P. and Heitman America Real Estate Trust (PF#1), L.P.

Note: The property on the front cover is Perris Circle, Perris, CA.

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Portfolio Highlights

Fund Profile

FUND OVERVIEW

| | |
|-----------------|---|
| Inception Date | January 4, 2007 |
| Fund Term | Perpetual-life, open-ended |
| Risk Profile | Core |
| Risk Controls | <ul style="list-style-type: none"> – Up to 15% in value-added properties – Maximum of 30% leverage at Fund share – No more than 15% in a single property |
| Min. Investment | \$5 million |
| Closings | Closings occur quarterly |

KEY STATISTICS

| | |
|--|------------------|
| Gross Asset Value | \$13,978 million |
| Net Asset Value | \$10,922 million |
| Net Asset Value Per Share | \$1,518 |
| Cash as % of NAV | 4.2% |
| Number of Investments | 112 |
| Number of Properties | 342 |
| Leverage Level | 21.5% |
| Leased Percentage | 95% |
| Current Quarter Net Acquisitions | \$39.0 million |
| Current Quarter Net Dispositions | \$404.5 million |
| Current Quarter Distributions | \$89.2 million |
| Current Quarter Gross Dividend Yield | 0.88% |
| Trailing One Year Gross Dividend Yield | 4.03% |
| Since Inception Gross Dividend Yield | 4.70% |

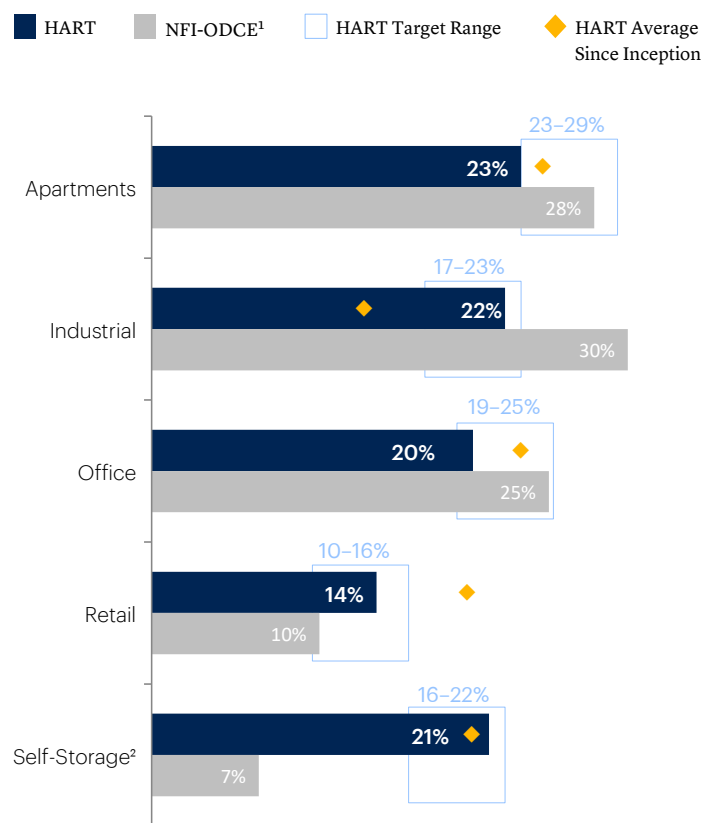
OBJECTIVE

Create a high-quality, low-risk portfolio of stabilized, income-producing assets diversified by property type and economic exposure by acquiring assets:

- Infill locations within major metropolitan areas
- With strong site attributes, such as proximity to amenities, employment centers and transportation networks
- That are well-constructed, with features that will appeal to tenants over long periods of time
- Through incorporation of ESG principles and risk mitigation into the investment process

PROPERTY TYPE DIVERSIFICATION

BASED ON FUND GROSS VALUE

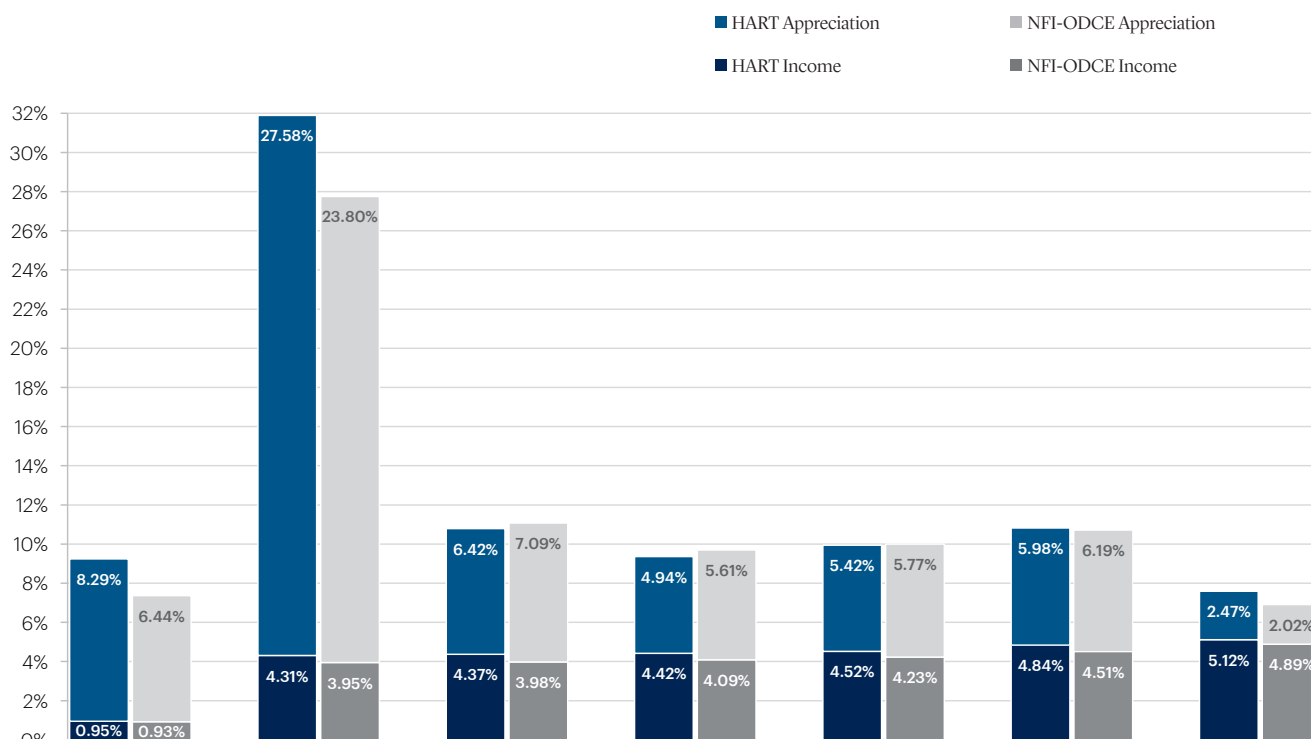


1. NFI-ODCE = NCREIF Fund Index - Open End Diversified Core Equity.
 2. NFI-ODCE allocation includes 3% to Self-Storage, 1% to Healthcare, and 3% to Other.

Performance

TIME-WEIGHTED INVESTMENT LEVEL LEVERAGED PERFORMANCE RETURNS

GROSS OF FEES



| | 3 Month (not annualized) | | Trailing 12-Month | | 3 Year | | 5 Year | | 7 Year | | 10 Year | | Since Inception April 1, 2007 ¹ | |
|------------------------------------|-----------------------------|--------------|----------------------|--------------|--------|--------------|--------|--------------|--------|--------------|---------|--------------|---|--------------|
| | HART | NFI- ODCE | HART | NFI- ODCE | HART | NFI- ODCE | HART | NFI- ODCE | HART | NFI- ODCE | HART | NFI- ODCE | HART | NFI- ODCE |
| Total Gross of Fees | 9.24% | 7.37% | 32.74% | 28.47% | 11.01% | 11.29% | 9.53% | 9.88% | 10.13% | 10.19% | 11.03% | 10.93% | 7.69% | 7.00% |
| Fund vs. NFI-ODCE Gross of Fees | +1.87% | | +4.27% | | -0.28% | | -0.35% | | -0.06% | | +0.10% | | +0.69% | |
| Total Net of Fees | 9.05% | 7.14% | 31.79% | 27.26% | 10.19% | 10.30% | 8.72% | 8.90% | 9.33% | 9.20% | 10.23% | 9.92% | 6.97% | 6.03% |
| Fund vs. NFI-ODCE Net of Fees | +1.91% | | +4.53% | | -0.11% | | -0.18% | | +0.13% | | +0.31% | | +0.94% | |

Note: Total Return = $\frac{\text{Net Income} + \text{Capital Appreciation}}{\text{Weighted Average Equity}}$

1. The since inception return begins on April 1, 2007, the first full quarter of operations after the limited partners' initial capital contribution.

Sources of outperformance include higher relative returns in the apartment and industrial sectors, and the Fund's dedicated allocation to the self-storage sector

Letter to Partners

STATE OF THE FUND

The US economic backdrop began to shift in the direction of greater uncertainty during the first quarter of 2022. Geopolitical turmoil, inflationary pressures, and rising interest rates are causing increased curiosity about the prospects of continued economic growth for the short- to intermediate-term. In response to the sharp increase in the price of goods and services and asset valuations, the Federal Reserve (the "Fed") has begun to engage in quantitative tightening measures. Amidst these evolving conditions, Heitman America Real Estate Trust (the "Fund") has now posted eight consecutive quarters of outperformance relative to the NCREIF Fund Index - Open End Diversified Core Equity ("NFI-ODCE" or the "Index"). The Fund's current portfolio allocation, which includes a high proportion of investment in property sectors with shorter term lease cycles, drove continued increases in asset valuation, and higher net operating income ("NOI") results.

A total gross return of 9.24% was generated for Q1 2022, including an income return of 0.95% and appreciation of 8.29%. The trailing 12-month gross return was 32.74%, comprised of a 4.31% income return and an appreciation return of 27.58%. The Fund's total gross return outperformed the Index by 187 basis points ("bps") and 427 bps for the quarter and the trailing 12-months, respectively. The sources of the outperformance include higher relative returns for the Fund's apartment and industrial assets compared to the peer group, and the Fund's dedicated allocation to the self-storage sector and underweight to the commercial office sector. Subsequent to quarter-end, on April 21, 2022, the Fund paid a dividend of \$12.40 per share, generating a quarterly gross dividend yield of 0.88%, and a trailing 12-month gross dividend yield of 4.03%. The Fund's income return has outperformed the Index for 13 consecutive years.

The Fund's overall portfolio ended the quarter at a leasing level of 95%, and included leasing levels of 96% and 93% for the apartment and self-storage sectors, respectively. The portfolio's leasing level exceeds the most recently reported 93% leasing level for the Index, continuing a consistent streak of superior leasing levels. Same-property NOI for the 12-month period ended March 31, 2022, compared to

the prior 12-month period, grew 11.7%, driven primarily by increased rents and strong tenant demand in the self-storage sector.

The value of the Fund's assets grew in the first quarter across all sectors, led by growth in the industrial, self-storage, and apartment sectors. On an overall basis, over half of the Fund's valuation increase for the most recent quarter was driven by increased forward cash flow projections, and just under half was driven by valuation metric adjustments. The net impact of marking-to-market of the Fund's debt obligations for the quarter resulted in appreciation of 45 bps.

During Q1 2022, an office asset in Atlanta, Georgia and a multifamily asset in West Palm Beach, Florida were sold, resulting in \$398.4 million of net sales proceeds. In addition, the Fund acquired a land parcel in Columbus, Ohio for development of four industrial assets which required initial equity investment totaling \$39.9 million. Additional unsecured debt financing of \$250 million was arranged during the first quarter. This financing, which will fund in two tranches during the second quarter, was initiated at an attractive cost of capital in advance of more dramatic increases in borrowing rates, and will assist in lifting the Fund's overall loan-to-value ratio while decreasing the average cost of debt capital.

In terms of equity investment activity, capital totaling \$110.0 million became available to the Fund during the recent quarter from the acceptance of an additional commitment from one existing investor for \$100.0 million and one existing investor increasing its initial capital commitment by \$10.0 million. Investor capital commitments totaling \$19.6 million from three new investors and two existing investors were also finalized in a closing subsequent to quarter-end. As to investor redemption requests, in addition to a \$400.0 million payment that was made in January to investors seeking liquidity, a payment of \$360.0 million was made in April to investors that have requested full or partial redemption. These payments reduced the outstanding redemption requests to \$979.5 million, compared to total redemption requests in excess of \$1.6 billion as of December 31, 2021.

Despite geopolitical turmoil, inflationary pressures, and rising interest rates, the Fund has posted eight consecutive quarters of outperformance relative to the Index

Letter to Partners

LOOKING FORWARD

The Fund started 2022 with continued momentum, and is well positioned to experience continued NOI increases and valuation increases as we move through the year, albeit likely at a slowing rate given increasing uncertainty in economic conditions and rising interest rates. Active efforts have commenced by the Fed to tighten economic conditions to quell ongoing inflationary dynamics. Our perspective is that the portfolio will continue to benefit from healthy real estate fundamentals and growth in real estate valuations over the short-term, while the intermediate-term prospects have become less clear.

We continue to operate the Fund pursuant to a strategic plan focused on improving investment performance, addressing the imbalance of capital resources, and adjusting property sector allocations to best position the portfolio. While we have largely experienced success in moving towards achievement of these objectives, adjustments have been made to optimize execution in the midst of an ever-shifting economic and capital markets environment. Transaction activity is underway that will assist in completing the current phase of the plan and its intended objectives. As we anticipate effective completion of this phase of the Fund's strategy by the cusp of year-end 2022 and the first part of 2023, we are mindful of preparing for the next phase of operation based upon conditions that can be observed on the horizon.

Looking to the remainder of this calendar year, the higher allocation to shorter-term lease cycle sectors positions the Fund well to continue to benefit from rolling in-place rents to higher market rents, and from the inflationary environment that continues. The portfolio's collective allocation to the industrial, apartment, and self-storage sectors will be primary beneficiaries of these dynamics and are expected to continue to drive absolute performance and favorable relative performance in comparison to the peer group. While we anticipate a slowing in the growth of asset valuations in light of the increasing

interest rate environment that is upon us, we expect these sectors to continue to see the greatest growth in valuation. In addition, the Fund's combined allocation to alternative sectors, including self-storage, student housing, and medical office, position the portfolio for the intermediate-term should the economic environment turn cloudy.

Overall, we believe the Fund is positioned for the potential to continue to outperform the benchmark. Among the primary reasons that we believe the Fund is poised to outperform on a going-forward basis, include, a) an expectation that the Fund's allocation to self-storage will produce accretive returns, b) the expected contribution of value-added alpha from the pending industrial development positions in the portfolio, c) the lower allocation to commercial office in comparison to the peer group, and, d) the relatively high allocation to sectors with short-term lease cycles, allowing for significant rent increases to benefit from the inflationary dynamics at work in the economy. Meanwhile, the Fund continues to consistently outperform on the measure of income return, and maintains a unique portfolio allocation which allows for the generation of a significant advantage in terms of distributable net cash flow by more heavily investing in sectors that require less reinvestment in capital expenditures.

The Fund's Annual Meeting will be conducted utilizing a virtual format again this year. We hope that you will be able to join us for a virtual livestream execution of Heitman's Annual Investor Meetings, which will be held June 7-9, including the Fund's Annual Meeting which is scheduled for 4:00 pm CDT on June 7. In addition, an Advisory Board meeting will be conducted on May 17 at 3:30 pm CDT where we will preview the outline of topics that will be covered during the Fund's Annual Meeting.

Thank you for your support as we focus on continued execution of the Fund's strategic plan.



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US Economic Outlook

The first few months of 2022 left the US economy with even more unanswered questions than at the end of 2021. The COVID-19 Omicron variant (“Omicron”) caused a massive surge in case numbers, hospitalizations, and deaths which delayed the long-anticipated “return to office.” Uncertainty only increased with the Russian invasion of Ukraine in February, which further exacerbated already high levels of inflation by impacting energy, food, and commodity prices. During March 2022, worries about the COVID-19 pandemic (the “pandemic”) and mandates intended to contain the virus receded across most of the US, though cases surged once again in April and May due to the Omicron BA.2 subvariant.

GDP contracted at a faster than expected rate of 1.4% annualized during Q1 2022, with growth dragged down mainly by net exports, inventories, and government spending while consumer spending proved resilient considering continued inflationary pressure. Persistently high rates of inflation and the subsequent shift in monetary policy represent a major change to the investment environment after an extended period of extremely low interest rates. This also has implications for the formerly hot housing market as mortgage rates have risen rapidly in response to the beginning of a series of interest rate hikes by the Fed.

In April, headline consumer prices rose at their fastest annual pace since December 1981, reaching what Oxford Economics believes will be the peak at 8.7%. The personal consumption expenditure deflator increased by 0.9% month-over-month in March, in line with Moody’s forecast and a slight acceleration from the 0.5% gain in each of the prior three months. The war in Ukraine continues to increase prices for oil and other commodities, and renewed pandemic-related lockdowns in China have put pressure on the already strained global supply chain. Although many forecasters believe inflation is peaking, its descent will likely be gradual and continually challenged by these factors. Consumer spending so far this year has proved more resilient than expected. Shopping center relevant sales growth accelerated during each month of Q1 2022, reaching a 22.7% increase from 2019 levels in March (most recent data

available). With inflation taking a larger bite out of households’ income and consumer sentiment decidedly negative, it remains to be seen how long consumption can remain buoyant.

In March, the Fed began normalizing interest rates, raising them by a quarter of a percentage point from previously near-zero levels and by another 50 bps in early May, a move that was in-line with market expectations. The economy’s near-term outlook largely depends on whether the Fed can continue this normalization—increasing rates fast enough to sufficiently quell inflation, but not so quickly that it undermines sustained growth and the ongoing economic recovery. Consensus expectations are for rate increases to occur at every Federal Open Market Committee meeting through the end of 2022 with another 50 bps increase likely at the June meeting. The federal funds rate should reach its estimated long-run equilibrium of 2.5-2.75% by year-end. The Fed is also expected to begin quantitative tightening in the coming months, trimming assets from its \$9 trillion balance sheet. Long-term interest rates have already moved sharply higher in response to and anticipation of further monetary policy changes, which has resulted in a notable impact on the highly rate-sensitive housing and mortgage markets. As fixed mortgage rates have reached their highest level in over a decade, both mortgage refinancing activity and home sales have waned.

Even in the face of these headwinds, many key aspects of the US economy remain solid. The Fed’s move on interest rates appeared vindicated by the subsequent employment report, which showed that the economy added 428,000 jobs in April. Strength in the labor market is broadly based, with service sectors such as leisure and hospitality leading the way. The U-3 unemployment remained low at 3.6% and is expected to fall closer to 3.3% by year-end per Oxford Economics. Moody’s baseline outlook remains that the US economic recovery will continue to evolve into a self-sustaining expansion in the coming months. However, there is still a substantial threat of recession and stagflation scenarios (35% and 10% probability, respectively), and much remains uncertain in the near-term outlook.

In April, headline consumer prices rose at their fastest annual pace since December 1981, reaching an expected peak of 8.7%



Fundamentals & Operations

Foundry Square IV - San Francisco, CA

Apartments

The apartment sector is approaching the prime leasing season on solid footing after the strongest first quarter performance ever. Fundamentals remained resilient throughout the typically slow winter season, backed by steady demand. Q1 2022 absorption totaled nearly 95,000 units—the highest in a first quarter since 2000. Occupancy ticked down modestly from the record high of 97.6% to 97.5% but is still 250 bps over the post-Global Financial Crisis average. Measures of rental growth continued to show upward momentum. Same-property effective rent growth posted a new high at 15.6%, while lease trade-outs increased 100 bps sequentially in March to hit 13.5%.

Ultra-high occupancy is widespread across metros. Every major market posted occupancy over 96% in March and only a handful of smaller markets were below 95%, the typical rule of thumb for “stabilized” occupancy. San Francisco and San Jose continue to be the only major markets that have not yet recovered to pre-pandemic rent levels.

Looking ahead, it is unlikely that the current pace of double-digit rental growth will continue beyond 2022. Forecasters anticipate that annual rental growth will trend back toward the long-term averages of 3-4% observed in most major US markets in the pre-pandemic business cycle. There is uncertainty around the pace of this moderation. Recent high rental growth has kindled concerns around affordability, and some in-demand MSAs, such as Austin and Phoenix, are facing large supply pipelines. These factors could argue for a more rapid return to moderate growth. Conversely, rising mortgage rates and expensive homes are keeping would-be home buyers out of the market, bolstering rental demand. Household income growth has also trended higher, partially due to rising wages and inflation expectations. These factors augur continued above-trend rental growth over the medium-term. Regardless of the ultimate trajectory, however, Q1 2022's strong showing has positioned the apartment sector for another above-average year of performance.

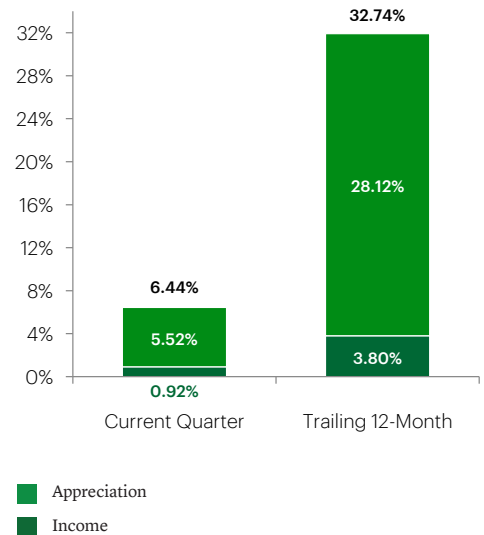
The apartment portfolio currently represents 23% of the Fund's total gross asset value, down from 24% in Q4 2021 following the sale of The Sophia at the end of March.



Biltmore at Camelback – Phoenix, AZ

This weighting compares with the Q1 2022 NFI-ODCE weighting of 28%. The portfolio's same-property NOI increased by 8.3% over the preceding 12-month period. Revenue increased by 6.3% and expenses increased by 3.7%. The largest NOI growth was at the Avalia Boca Raton (29%), followed by Halo 46 (23%) and The Taylor (20%). The urban assets have now largely emerged from damage caused by lockdown leasing disruption and NOI is rebounding. This has been particularly noticeable at OneEleven (16.2%) and 15 Bank (14.9%), the two assets most affected by leasing declines and aggressive concessions over the lockdown periods. However, the west coast markets continue to endure the challenge of the moratorium and associated rent control measures which are still affecting collections and the potential for growth at Premiere on Pine and AO Santa Monica, where NOI is down 1.2% and 13.7%, respectively. As of quarter-end, the portfolio was 96% leased, up from 95% in Q4 2021. The suburban assets were 96% leased, urban assets were at 95% and the student housing assets were all 100% leased. Leasing levels increased at all the urban assets over the quarter, except at OneEleven which dropped by 1%.

TIME-WEIGHTED RETURNS GROSS OF FEES



The apartment sector saw its strongest first quarter performance ever, with same-property effective rent growth posting a new high at 15.6%



LogistiCenter Exit 8A – Northern NJ

The US industrial market continues to enjoy incredible tailwinds. E-commerce growth was a consistent source of demand in the 2010s that reaccelerated during the peak pandemic onslaught in 2020. Since 2021, a new supply chain paradigm that targets resiliency to uncontrollable events has led to a nationwide restocking of goods and tremendous new warehouse demand. A strong goods-producing sector featuring on-shoring or near-shoring of manufacturing has also benefitted markets like Phoenix and Columbus.

The US industrial market posted yet another drop in the vacancy rate in Q1 2022. The national vacancy rate fell 9 bps from 3.9% to 3.8% as net absorption of 115.4 million square feet (“msf”) was posted. This represents the sixth consecutive quarter of more than 100 msf of net absorption, an expansionary period without precedent. Over this period, 809.4 msf has been absorbed and the vacancy rate has fallen 153 bps from Q3 2020’s peak of 5.3%.

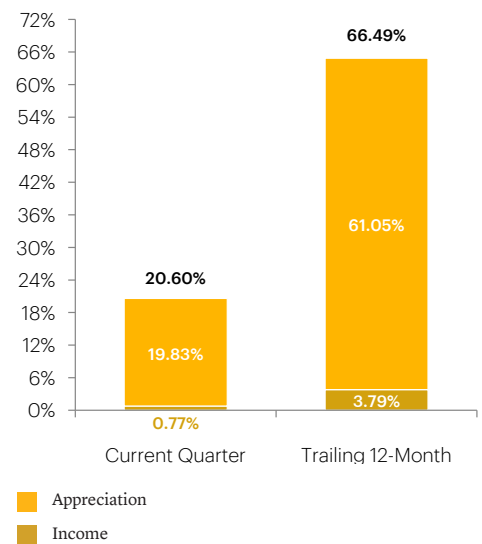
Developers have taken notice of the bull market, with the supply pipeline surging to a record 674.1 msf (3.8% of national inventory). However, in this tight market, new construction begun on a speculative basis is often delivering fully leased. This new construction has caused the rate of availability to rise 4 bps quarter-over-quarter, from Q4 2021’s record-low 6.5% to 6.6% as of Q1 2022. For those seeking to call a peak, oversupply (amid continued strong demand) represents the most likely threat to the sector, but first derivative indicators remain very strong. Market rent growth was 3.3% in Q1 2022 and 11.0% over the past year per CoStar. CBRE data suggests these figures may have been higher at 7.3% and 16.0%, respectively. Cost-push inflation will additionally prop up rents

as the price for developable land has surged, while materials and labor costs have contributed to considerably higher hard costs for new development.

The Fund’s industrial portfolio started 2022 with another strong quarter, achieving a third consecutive double-digit appreciation return. The strong quarterly performance was again driven by Southern California and Northern New Jersey markets. The overall portfolio observed continuing record market rent growth across all portfolio markets and continuing cap rate compression with capital markets being fueled by investors seeking more exposure to the industrial sector. Existing quality product continues to benefit from increased replacement costs driven by a constrained labor supply and the scarcity of building materials, notably steel, and availability of developable land for industrial use. The industrial sector represents 22% of the Fund’s gross asset value, underweight to the most recent NFI-ODCE weighting of 30%. The Fund is in the process of constructing state-of-the-art warehouses in Phoenix, AZ and Stockton, CA. The Phoenix development is anticipated to achieve substantial completion in May 2022 and the Stockton development is expected to be completed in Q1 2023. During the quarter, the Fund acquired a land parcel in Columbus, OH for the development of four industrial assets, with construction of the first building scheduled to commence Q2 2022. Two assets are currently being marketed for sale, which is intended to advance the Fund’s strategic objective of diversifying the industrial portfolio’s geographic allocation by decreasing the heavy concentration in Chicago. The portfolio was 99% leased as of quarter-end and saw same-property NOI increase by 6.5% over the preceding 12-month period.

TIME-WEIGHTED RETURNS

GROSS OF FEES



The US industrial market posted yet another drop in the vacancy rate in Q1 2022

Office

US commercial office is in a tough place. Between pandemic-related space givebacks and bankruptcies, an elevated construction pipeline going into the pandemic, and the overlying threat of increased work-from-home policies, investors continue to shy away from the sector. Low after-capital margins and a highly pro-cyclical disposition suggest that it will perform at a below-average level as the Fed raises interest rates, and it doesn't help that office investors tend to use considerable leverage relative to those in other sectors.

While the worst days for US office market fundamentals—from Q3 2020 through Q2 2021—are seemingly behind, the US office vacancy rate rose for the 12th consecutive quarter in Q1 2022. The vacancy rate now sits at 16.6%, up 23 bps quarter-over-quarter and 116 bps year-over-year. The pace of occupancy decline waned in late 2021, but demand was yet again negative in Q1 2022 with 1.9 msf of net absorption observed. Now, the bulk of occupancy erosion is coming not from space givebacks, but instead from new supply delivering. In the past three quarters, net absorption has actually been 836,000 square feet ("sf") due to positive net absorption in Q4 2021. Over the same period, deliveries have totaled 40.4 msf.

As expected, local market conditions are stratified geographically. Sunbelt markets mostly saw positive net absorption over the past year. Examples include Atlanta, Austin, Nashville, Orlando, Raleigh-Durham, and South Florida. Markets that saw demand shrink in this region are overexposed to finance and include Charlotte, Phoenix, and Tampa. Interestingly, Western region tech markets showed positive net absorption over the past four quarters. Denver, San Francisco, San Jose and Seattle followed this trend. This positive occurrence was entirely due to out-performance in suburban areas within these markets. Life sciences additionally boosted San Francisco and led Boston and San Diego to strong relative performance.

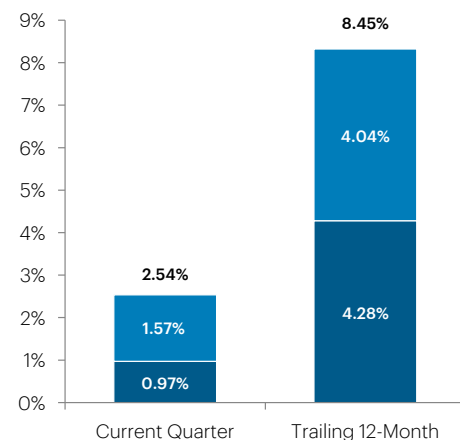
The office portfolio represents 20% (14% commercial office and 6% medical office) of the Fund's gross asset value at quarter-end. In January 2022, the sale of 3630 Peachtree in Atlanta, GA closed for a gross sales price of \$202.0 million. Consistent with the strategic objective to lower the office allocation,



28 State Street – Boston, MA

the Fund obtained Investment Committee approval to market 1401 Lawrence in Denver, CO and subsequent to a broad marketing process for the asset, the sale of the asset is currently scheduled to close in late Q2 2022.. The portfolio's same-property NOI decreased by 0.9% over the preceding 12-month period driven primarily by the vacated Belkin space at Campus at Playa Vista in combination with rising expenses across the sector, specifically real estate taxes. On the leasing front, no material leases were signed during the quarter, but there has been positive tour activity across the portfolio that provides confidence that the Fund will achieve positive absorption in the coming quarters. As it relates to the portfolio's ESG objectives, Foundry Square IV's electricity supply is now 100% sourced from renewable energy in coordination with the state of California's Renewable Energy Resources Program.

TIME-WEIGHTED RETURNS GROSS OF FEES



■ Appreciation
■ Income

Low after-capital margins and a highly pro-cyclical disposition suggest that the commercial office sector will perform at a below-average level as the Fed raises interest rates



Shops at Wailea – Wailea, HI

Consumers proved more resilient than expected in Q1 2022 given the Omicron surge, high inflation, and geopolitical turmoil and uncertainty. Shopping center relevant sales growth accelerated during each month of the quarter, starting the year with a 20.2% increase from 2019 levels in January and reaching a 22.7% increase by March, as consumers returned to stores. Starting in February when pandemic cases started to recede, consumers accelerated spending in categories tied to the re-opening of the economy such as apparel and restaurants, at the expense of non-store sales (i.e. online spending). This continued into March when overall sales growth moderated slightly, driven mainly by a slowdown of online shopping. Non-store sales trends suggest that online spending as a percent of retail sales in Q1 2022 remained flat from Q4 2021 after declining throughout 2021. Spending in some pandemic beneficiary categories such as home furnishings, appliances, and groceries failed to keep up with increasing inflation in March.

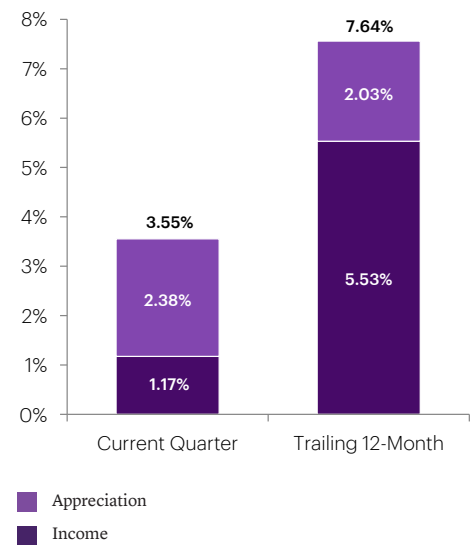
Property level fundamentals continue to improve through Q1 2022. Nationwide retail vacancy reached 6.4%, down from its pandemic peak of 7.3% a year ago. Vacancy rates across all retail formats compressed in Q1 2022 as store opening announcements strongly outpaced closures and no major bankruptcies were announced. Net absorption totaled more than 13.4 msf, the highest Q1 2022 figure since Q1 2014 when over 16 msf was absorbed.

The near-term outlook for retail remains mixed as inflation continues to drive prices up across retail categories. Consumers have absorbed much of the cost increases

so far but that is unlikely to continue if decades-high inflation rates persist later into the year. The tight labor market combined with wage growth and remaining pent-up savings among higher-income earners should support spending in the coming months. Still, retail sales momentum will likely slow heading into Q2 2022 as forecasters are expecting spending growth to come down from the exuberance of 2021 but remain healthy in 2022.

The Fund's retail portfolio ended the quarter with a 14% allocation to retail, 4% above the most recently reported NFI-ODCE allocation. The Fund is currently marketing a lifestyle asset in Florida, the Shops at Pembroke Gardens, which, if consummated, is projected to reduce the retail allocation to 13%. In terms of operating fundamentals, global uncertainty and inflationary pressures led to a recent pullback in the portfolio's foot traffic relative to 2019, a trend consistent with retail assets across the US. More specifically, the portfolio's March foot traffic was 12% below 2019 as compared to February, which was only 4% below 2019 levels. Of note, the Fund's Maui asset, Shops at Wailea, continues to see foot traffic at 2019 levels, while traffic levels at properties with movie theaters lag 2019 levels, driven by light movie attendance. While the portfolio's same-property NOI increased by 30.7% over the preceding 12-month period, rent collection reserves and related reversals continue to make it challenging to draw conclusions from NOI results for the portfolio as well as for publicly traded retail REITs. The portfolio's leasing level held at 93% excluding one department store vacancy (91% including this space).

TIME-WEIGHTED RETURNS GROSS OF FEES



Nationwide retail vacancy reached 6.4% in Q1 2022, down from its pandemic peak of 7.3% a year ago

Self-Storage



Life Storage I Portfolio – Various US

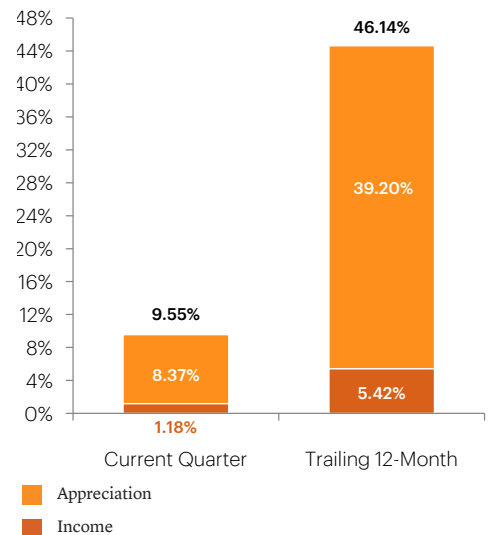
Momentum slowed in the self-storage sector in Q1 2022 but at a slower rate than anticipated, and there are some positive signs moving into the busy Spring and Summer seasons. Revenue growth in Heitman's same-store pool was 14.5% in the quarter, a 120 bps drop from Q4 2021, but still well above the long-term sector average. Year-over-year occupancy was up 50 bps in March, a deceleration from 120 bps in December 2021. Both move-ins and move-outs were noticeably down in Q1 2022 versus their pre-pandemic average, a net neutral impact since net move-ins and move-outs was positive. Effective rent growth continued to gain momentum in Q1 2022, increasing to 14.3%. Market rent growth has come down from highs of more than 40% last summer to 20% in the quarter, but reaccelerated in March and is still a leading contributor to effective rent growth as street rates are, on average, 10.3% above effective rates.

Self-storage development activity in Q1 2022 shows the same number of stores under construction as at the end of 2021, which is around 150 more stores than in Q1 2021, but below the peak of construction in 2018 and 2019. There has also been an uptick in planned projects, but Yardi Matrix projects supply to gradually ease through 2026. Despite the recent increase in interest rates, self-storage investment activity remained significantly above historic levels with an estimated \$3.7 billion in activity in Q1 2022. This represents double the amount in Q1 2021 and more than double a typical first quarter. Cap rates were flat from the fourth quarter and on a trailing 12-month basis cap rates were 4.3% in Q1 2022, down 50 bps year-over-year and 125 bps since Q1 2020, respectively. There are

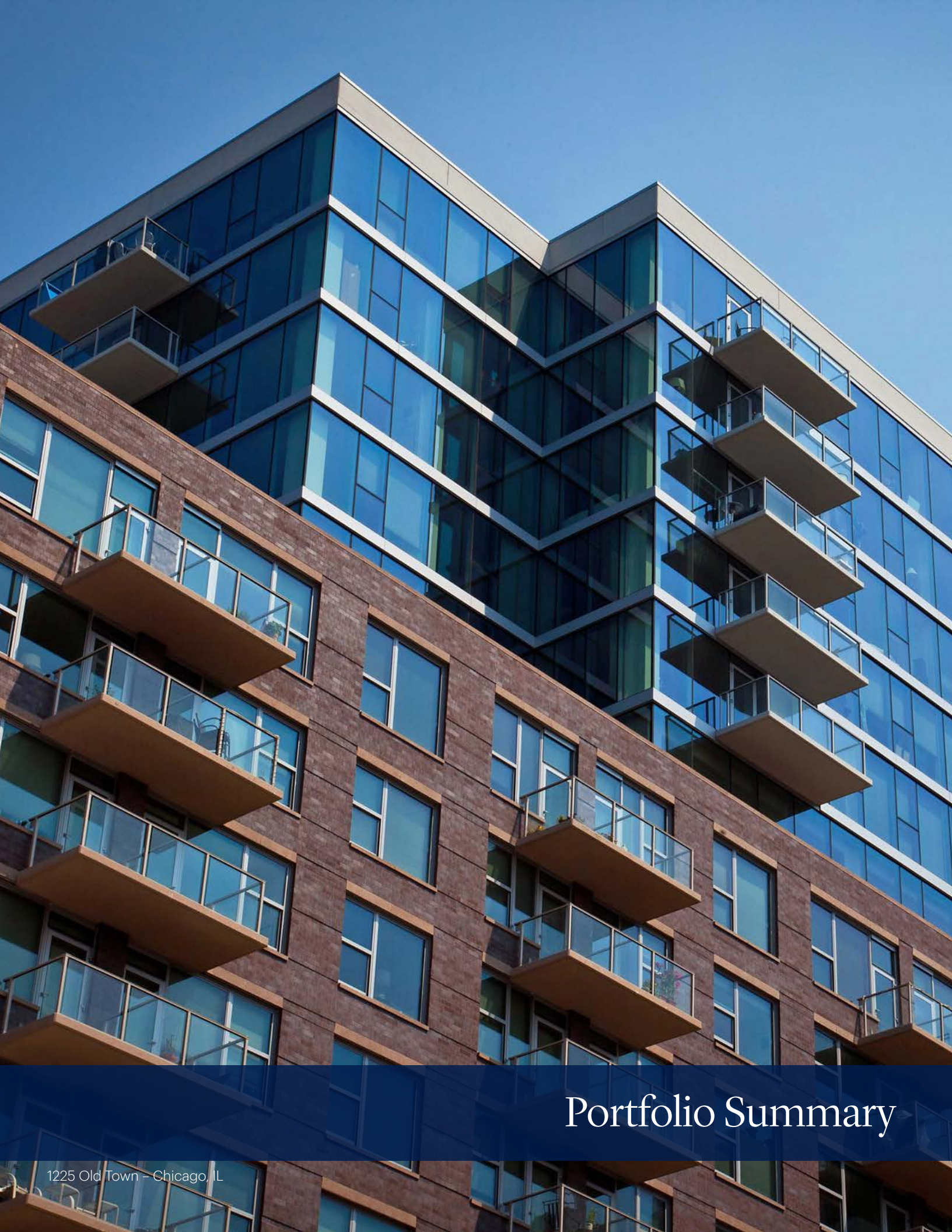
still many transactions on the market and the impact of interest rate hikes, if any, should become more apparent as the year unfolds.

The Fund maintains a dedicated allocation to the self-storage sector, which is currently 21% of the Fund's gross asset value. The self-storage portfolio's impressive performance continues as same-property NOI increased by 16.8% over the preceding 12-month period. Occupancy ended the quarter at 93%, in-line from Q1 2021 and an increase of 37 bps from the prior quarter. While growth appears to be peaking, operating fundamentals continue at a high level. High occupancies to start the year allowed the portfolio to maintain its elevated market rents. This has resulted in steady in-place rent growth which is exceeding 12% and is being achieved through existing customer rent increases and positive lease trade-outs on new move-ins. Including stabilization of fees and other income, year-over-year revenue growth increased 12.5%. Portfolio expenses grew 5.6%. Upward pressure on insurance premiums, maintenance costs, and higher snow removal costs are contributing to the elevated expenses. In addition, anticipated increases on real estate taxes are resulting in higher expense accruals. The portfolio is poised to continue experiencing growth as its geographic diversification will capture customers' expanding use of self-storage. Strong in-migration trends notably in the Sunbelt and secondary markets is driving demand and accretive to portfolio performance. In addition, several value-added expansion projects in the Life Storage, Metro, and iStorage portfolios are being completed and will provide revenue growth as the additional square footage is leased up.

TIME-WEIGHTED RETURNS GROSS OF FEES



Despite the recent increase in interest rates, self-storage investment activity remained significantly above historic levels with an estimated \$3.7 billion in activity in Q1 2022



Portfolio Summary

1225 Old Town - Chicago, IL

Portfolio Summary

(\$ IN THOUSANDS)

| Investment Name | Year Acquired | Location | Effective Fund Ownership Percentage ² | No. of Assets | Total Owned Square Feet/ Units ³ | Leasing Level ⁴ | Fund Capitalization ¹ | | | Cash Invested ⁶ |
|---|-------------------|--------------------|--|---------------|---|----------------------------|----------------------------------|--|----------------------|----------------------------|
| | | | | | | | Gross Value | Property Level Third Party Debt ⁵ | Net Value | |
| Apartments | | | | | | | | | | |
| 15 Bank | 2010 | White Plains, NY | 100.0% | 1 | 501 units | 94% | 261,000 | 95,967 | 165,033 | 81,425 |
| Villas at River Oaks | 2012 | Houston, TX | 100.0% | 1 | 288 units | 96% | 64,800 | - | 64,800 | 48,889 |
| AO Santa Monica | 2012 | Santa Monica, CA | 100.0% | 1 | 350 units | 94% | 250,000 | 86,150 | 163,850 | 99,269 |
| Commons Park West | 2013 | Denver, CO | 100.0% | 1 | 340 units | 94% | 185,100 | - | 185,100 | 118,279 |
| 1225 Old Town | 2013 | Chicago, IL | 100.0% | 1 | 250 units | 99% | 160,300 | - | 160,300 | 162,842 |
| Folio | 2014 | Austin, TX | 100.0% | 1 | 606 units | 97% | 153,000 | 53,433 | 99,567 | 42,807 |
| Billmore at Camelback | 2014 | Phoenix, AZ | 100.0% | 1 | 270 units | 96% | 132,000 | - | 132,000 | 77,209 |
| OneEleven | 2015 | Chicago, IL | 75.0% | 1 | 504 units | 93% | 249,783 | 98,134 | 151,649 | 163,123 |
| The Taylor | 2015 | Dallas, TX | 100.0% | 1 | 308 units | 98% | 122,000 | - | 122,000 | 119,376 |
| Premiere on Pine | 2015 | Seattle, WA | 100.0% | 1 | 386 units | 92% | 262,000 | 88,703 | 173,297 | 157,511 |
| The Porter Del Ray | 2017 | Alexandria, VA | 100.0% | 1 | 276 units | 95% | 140,000 | 55,540 | 84,460 | 46,227 |
| Cambridge Park | 2017 | Cambridge, MA | 100.0% | 1 | 312 units | 93% | 226,000 | - | 226,000 | 180,902 |
| Avalia Boca Raton | 2018 | Boca Raton, FL | 100.0% | 1 | 297 units | 96% | 198,000 | - | 198,000 | 126,936 |
| Square on Fifth | 2018 | Atlanta, GA | 100.0% | 1 | 230 units | 100% | 161,000 | 81,183 | 79,817 | 63,043 |
| Radius at 15th | 2018 | Minneapolis, MN | 100.0% | 1 | 200 units | 100% | 104,800 | - | 104,800 | 77,157 |
| The Sawyer Providence Farm | 2018 | Charlotte, NC | 100.0% | 1 | 404 units | 97% | 159,200 | - | 159,200 | 98,858 |
| Halo 46 | 2018 | Tampa, FL | 100.0% | 1 | 158 units | 100% | 62,900 | - | 62,900 | 51,621 |
| The Ashborough | 2021 | Ashburn, VA | 100.0% | 1 | 504 units | 95% | 199,400 | - | 199,400 | 160,259 |
| Total - Apartments | | | | 18 | 6,184 units | 96% | 3,091,283 | 559,110 | 2,532,173 | 1,875,733 |
| Industrial | | | | | | | | | | |
| Chicago Industrial Portfolio | Various | Various IL | 100.0% | 12 | 4,606,268 | 97% | 504,800 | 99,949 | 404,851 | 215,206 |
| West Coast Industrial Portfolio - CA | 2013 | Various CA | 51.0% | 14 | 3,860,421 | 100% | 659,328 | 82,925 | 576,403 | 98,541 |
| West Coast Industrial Portfolio - WA | 2013 | Various WA | 51.0% | 3 | 1,422,353 | 100% | 161,313 | 29,343 | 131,970 | 36,547 |
| New Jersey Industrial Portfolio | 2015 | Various NJ | 100.0% | 3 | 1,531,596 | 100% | 421,900 | - | 421,900 | 97,785 |
| Westgate Building | 2016 | San Bernardino, CA | 100.0% | 1 | 414,020 | 100% | 131,000 | - | 131,000 | 36,030 |
| Dallas Industrial Portfolio | 2016 & 2019 | Various TX | 100.0% | 11 | 3,459,578 | 98% | 436,750 | - | 436,750 | 282,922 |
| Perris Circle | 2017 | Perris, CA | 100.0% | 1 | 474,235 | 100% | 138,000 | - | 138,000 | 52,275 |
| Rickenbacker | 2019 | Columbus, OH | 100.0% | 1 | 972,160 | 100% | 102,300 | - | 102,300 | 67,055 |
| Gillem 900 | 2020 | Forest Park, GA | 100.0% | 1 | 1,043,418 | 100% | 113,000 | - | 113,000 | 86,088 |
| Agua Mansa | 2021 | Colton, CA | 100.0% | 3 | 813,513 | 100% | 243,000 | - | 243,000 | 124,716 |
| Logistics Center Phoenix | 2021 | Glendale, AZ | 100.0% | 1 | - | 0% | 80,600 | - | 80,600 | 41,386 |
| Stockton Industrial | 2021 | Stockton, CA | 86.7% | 3 | - | 0% | 21,023 | - | 21,023 | 21,854 |
| Columbus Point Portfolio | 2022 | Columbus, OH | 100.0% | 4 | - | 0% | 40,222 | - | 40,222 | 40,626 |
| Total - Industrial | | | | 58 | 18,597,562 | 99% | 3,053,236 | 212,217 | 2,841,019 | 1,201,031 |
| Office | | | | | | | | | | |
| Alhambra Medical Office Building | 2011 | Sacramento, CA | 100.0% | 1 | 101,133 | 100% | 64,400 | - | 64,400 | 47,214 |
| Foundry Square IV | 2012 | San Francisco, CA | 100.0% | 1 | 239,798 | 98% | 336,000 | - | 336,000 | 206,668 |
| 353 North Clark | 2014 | Chicago, IL | 75.0% | 1 | 1,184,258 | 90% | 546,073 | 212,099 | 333,974 | 347,749 |
| First Hill Medical Pavilion | 2016 | Seattle, WA | 100.0% | 1 | 229,578 | 100% | 223,000 | - | 223,000 | 196,610 |
| 1401 Lawrence | 2017 | Denver, CO | 100.0% | 1 | 309,987 | 99% | 241,000 | 88,066 | 152,934 | 135,900 |
| Healthcare Portfolio | 2018 | Various US | 100.0% | 10 | 962,626 | 95% | 489,000 | - | 489,000 | 430,635 |
| 28 State Street | 2018 | Boston, MA | 100.0% | 1 | 572,903 | 89% | 489,000 | 189,291 | 299,709 | 258,644 |
| Campus at Playa Vista | 2018 | Los Angeles, CA | 100.0% | 1 | 338,849 | 49% | 313,000 | - | 313,000 | 336,980 |
| Total - Office | | | | 17 | 3,939,132 | 90% | 2,701,473 | 489,456 | 2,212,017 | 1,960,400 |
| Retail | | | | | | | | | | |
| Chandler Fashion Center ⁷ | 2009 | Chandler, AZ | 9.8% | 1 | 779,281 | 77% | 53,857 | 24,812 | 29,045 | 11,285 |
| Freehold Raceway Mall | 2009 | Freehold, NJ | 9.8% | 1 | 875,290 | 94% | 41,120 | 35,927 | 5,193 | 1,039 |
| Pinnacle at Turkey Creek | 2011 | Knoxville, TN | 100.0% | 1 | 657,264 | 91% | 162,500 | - | 162,500 | 151,671 |
| Miracle Marketplace | 2013 | Miami, FL | 100.0% | 1 | 242,485 | 93% | 72,300 | - | 72,300 | 97,904 |
| Shops at Pembroke Gardens | 2013 | Pembroke Pines, FL | 98.7% | 1 | 391,688 | 95% | 178,494 | - | 178,494 | 194,972 |
| Pacific Commons | 2013 & 2014 | Fremont, CA | 100.0% | 1 | 995,075 | 91% | 320,700 | 139,958 | 180,742 | 150,228 |
| Shops at Wailea | 2015 | Wailea, HI | 100.0% | 1 | 179,402 | 90% | 318,000 | 131,028 | 186,972 | 227,374 |
| Deptford Mall | 2016 | Deptford, NJ | 49.0% | 1 | 505,681 | 96% | 135,387 | 80,261 | 55,126 | 182,022 |
| Twenty Ninth Street | 2016 | Boulder, CO | 49.0% | 1 | 692,506 | 96% | 134,260 | 71,958 | 62,302 | 107,330 |
| Flatiron Crossing ⁷ | 2016 | Broomfield, CO | 49.0% | 1 | 1,048,854 | 78% | 190,429 | 85,515 | 104,914 | 276,044 |
| Broadway Plaza | 2018 | Walnut Creek, CA | 50.0% | 1 | 679,618 | 98% | 376,500 | 215,855 | 160,645 | 197,728 |
| Total - Retail | | | | 11 | 7,047,144 | 91% | 1,983,547 | 785,314 | 1,198,233 | 1,597,527 |
| Total - Retail Excluding Vacant Anchor⁷ | | | | | 6,738,224 | 93% | | | | |
| Self-Storage | | | | | | | | | | |
| Life Storage I Portfolio | 2008, 2014 & 2017 | Various US | 74.9% | 36 | 23,344 | 94% | 677,794 | 138,882 | 538,912 | 269,952 |
| Life Storage II Portfolio | 2011 & 2012 | NJ, PA, & TX | 70.6% | 22 | 15,366 | 93% | 351,262 | 76,059 | 275,203 | 42,718 |
| Storage Post I Portfolio | 2012 & 2013 | NJ & NY | 94.6% | 14 | 18,047 | 95% | 514,785 | 100,884 | 413,901 | 199,029 |
| Metro Portfolio | 2013 & 2014 | Various US | 78.0% | 20 | 11,879 | 91% | 256,725 | 59,547 | 197,178 | 55,302 |
| CubeSmart I Portfolio | 2013 | NC & TX | 50.0% | 28 | 14,342 | 94% | 194,830 | 51,670 | 143,160 | 83,819 |
| Storage Post II Portfolio | 2015 | Various NY | 95.6% | 2 | 3,707 | 93% | 163,129 | 46,205 | 116,924 | 78,190 |
| CubeSmart II Portfolio | 2016 | Various US | 67.7% | 13 | 5,850 | 91% | 129,822 | 29,163 | 100,659 | 31,950 |
| iStorage Portfolio | 2018 & 2020 | Various US | 34.5% | 103 | 65,574 | 92% | 582,282 | 227,552 | 354,730 | 223,524 |
| Total - Self-Storage | | | | 238 | 158,109 units | 93% | 2,870,629 | 729,962 | 2,140,667 | 984,484 |
| TOTAL PORTFOLIO | | | | 342 | | | 95% \$ 13,700,168 | \$ 2,776,059 | \$ 10,924,109 | \$ 7,619,245 |

1. Fund share based on effective Fund ownership percentage.

2. Ownership percentage is net of the joint venture partner's promote, if applicable.

3. 100% of the property value, including joint venture partner's share, if applicable.

4. Weighting based on Fund ownership share.

5. Amount reflects the fair value of the third party loan secured by the property and excludes borrowings under the Fund's credit facility.

6. Net investment (net cost of real estate assets), plus capital additions and principal payments on debt.

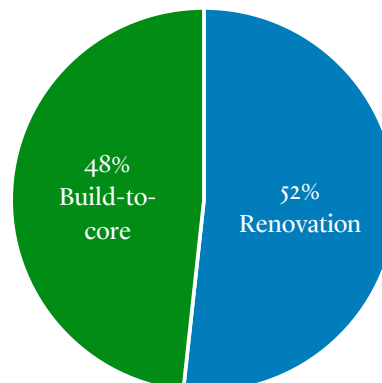
7. Leasing level is inclusive of vacant anchor stores at Chandler Fashion Center and Flatiron Crossing, where the anchor boxes were acquired on 5/14/2021. Leasing level excluding vacant anchor stores for Chandler Fashion Center and Flatiron Crossing is 95% and 93%, respectively.

Portfolio Summary

FUND'S VALUE-ADDED STRATEGY

HART's current Value-Added Strategy portfolio represents 4.1% of the total gross real estate value of the Fund as of Q1 2022 and is estimated to grow to 4.8% when the development costs of Logistics Center Phoenix, Stockton Industrial, and Columbus Point Portfolio are fully invested. Currently, the Fund is primarily executing on two value-added strategies: renovations and build-to-core. Both strategies are expected to provide beneficial risk-adjusted returns to the Fund's performance profile. The Fund's renovation activities are currently being executed in the apartment sector, where increased rents are being achieved as a result of the unit and common area enhancements. Build-to-core activities are being executed in the industrial sector, where fundamentals continue to be favorable for landlords. The table below summarizes the capacity for, and the current and prospective assets in, the Fund's Value-Added Strategy:

VALUE-ADDED STRATEGY COMPOSITION



VALUE-ADDED STRATEGY SUMMARY

| Investment Name | Location | Property Type | Strategy | Gross Investment at Fund's Share(000's) | Percent Complete (%) |
|--------------------------|--------------------------------------|---------------|---------------|---|--------------------------|
| Cambridge Park | Cambridge, MA (Boston Metro) | Apartment | Renovation | \$180,280 | 88.1% |
| The Ashborough | Ashburn, VA (Washington, D.C. Metro) | Apartment | Renovation | 169,383 | 44.8% |
| Logistics Center Phoenix | Glendale, AZ (Phoenix Metro) | Industrial | Build-to-core | 72,316 | 51.7% |
| Stockton Industrial | Stockton, CA (Bay Area Metro) | Industrial | Build-to-core | 125,527 | 15.6% |
| Columbus Point Portfolio | Columbus, OH (Columbus Metro) | Industrial | Build-to-core | 128,627 | 31.3% |
| Total | | | | \$676,133 | 49.1%¹ |

1. Represents the weighted average percent complete based on each investment's total gross investment.



Cambridge Park — Cambridge, MA



Stockton Industrial — Stockton, CA

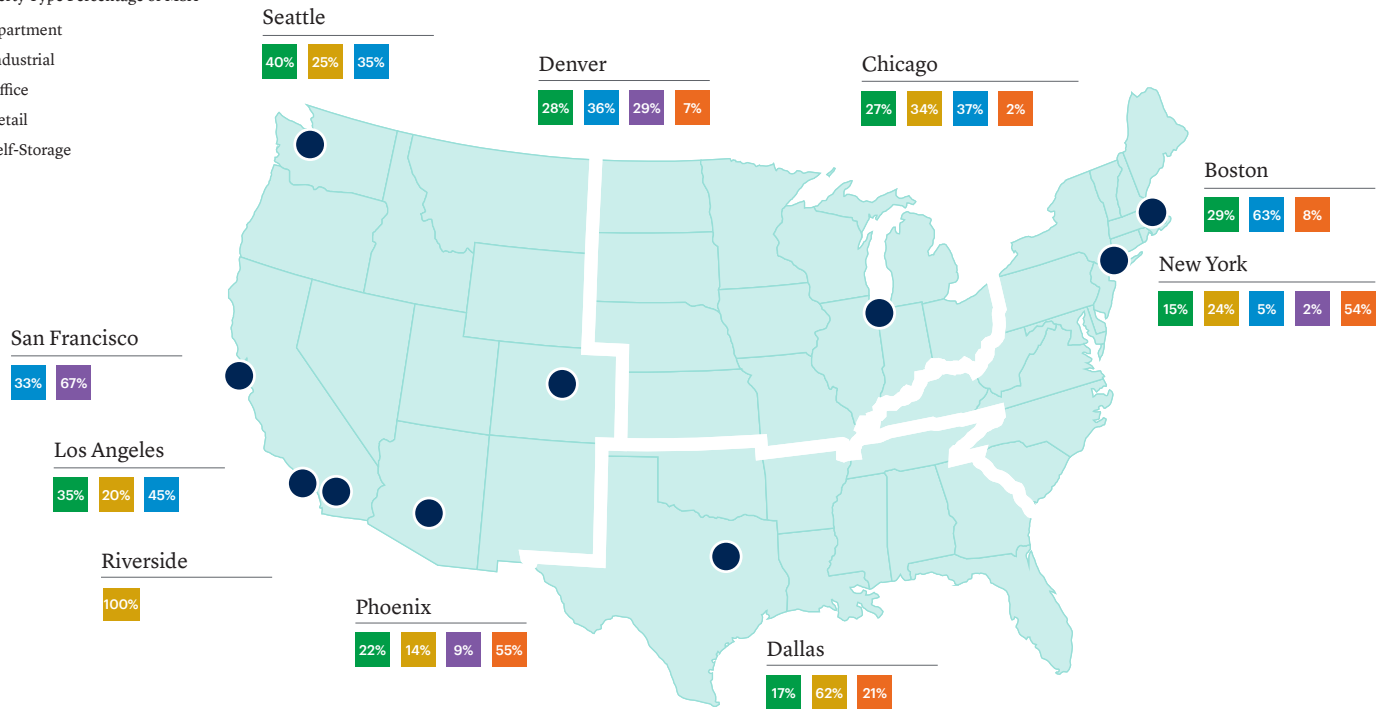
Portfolio Summary

TOP TEN MSAS

BASED ON FUND SHARE OF GROSS VALUE

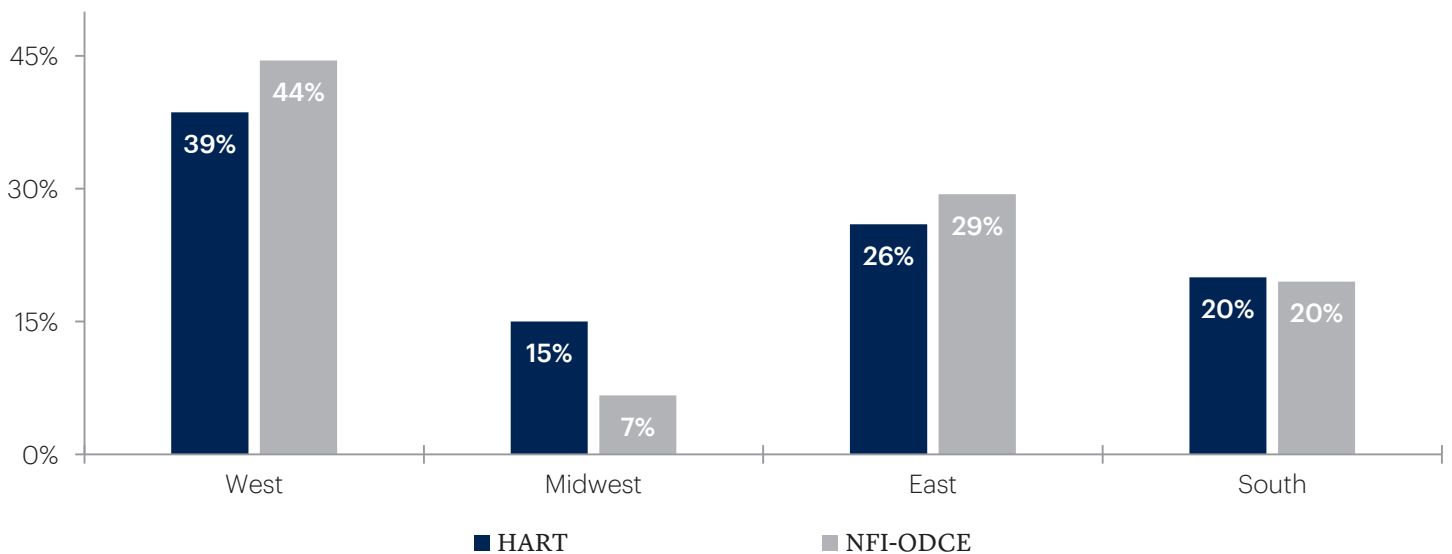
Property Type Percentage of MSA

- Apartment
- Industrial
- Office
- Retail
- Self-Storage



GEOGRAPHIC DIVERSIFICATION

BASED ON FUND GROSS VALUE



Portfolio Summary

PROPERTY LEASING PROFILE

Avalia Boca Raton

BOCA RATON, FL

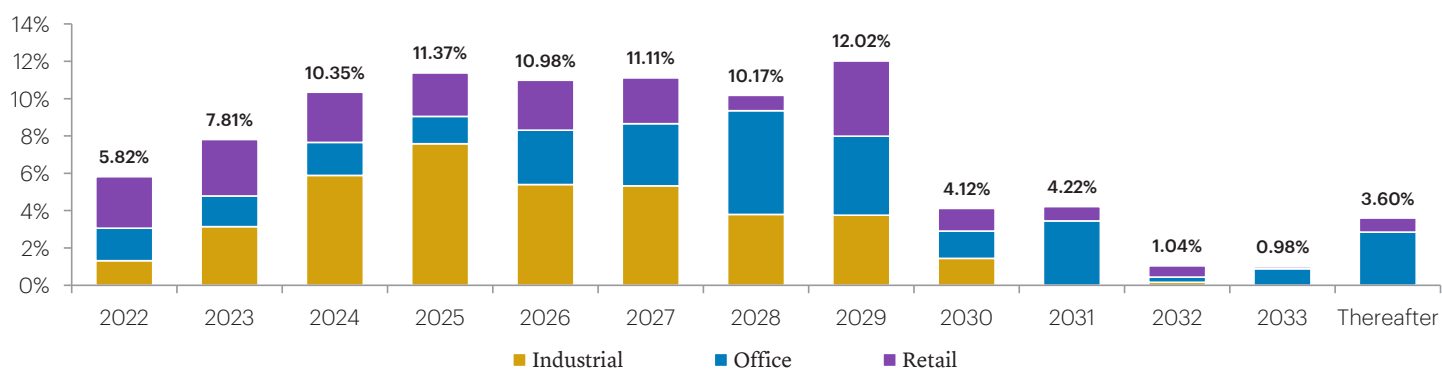
Avalia Boca Raton (the "Property") is a 297-unit 2007 vintage apartment development that the Fund acquired in 2018 with a business plan focused on renovating and repositioning the asset to a Class A standard. It was envisaged that the renovation of the units and modernization of the amenities would bridge a large portion of the rent gap between this 15 year-old asset and the specifications of new construction. The Property's close proximity to several large job markets, high-quality schools, and retail shops, along with large floorplans, makes it highly desirable for renters, particularly families. The Property boasts large unit sizes averaging 1,551 sf, and a range of townhome styles from 1,102 sf to 2,078 sf. These units function like single-family homes with an abundance of space, plentiful storage and attached double garages. These features, complemented with high-quality unit interiors and upgraded amenities, quickly differentiated the Property and made it particularly attractive to an influx of affluent migrants that moved from the Northeast over the past two years. This pattern of migration was first noticeable in late 2020 but increased in pace throughout 2021. The size of the units easily accommodated home offices and, to residents moving from high-rent areas in New York and Boston, or trading out of homes in the Northeast, the Property's rents are comfortably affordable. Below are key highlights of the Property:



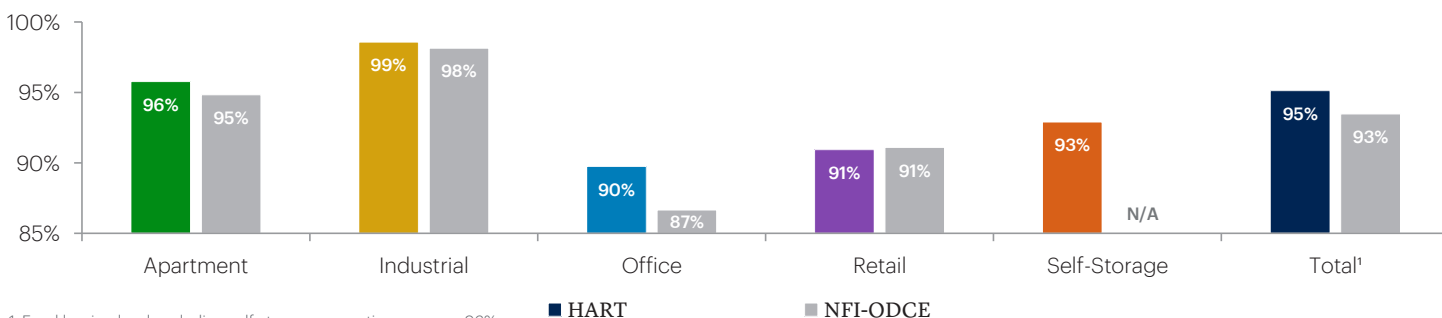
- Average occupancy in 2021 was 94.7%, despite 1.5% of units being out of the leasing inventory for the final stage of the renovation program
- 46% of the Property's new tenants in 2021 moved from out-of-state, compared to 20% in 2019
- 34% of out-of-state applicants moved from New York, 11% from New Jersey and 9% from Chicago
- In Q1 2022, the average monthly rent for all new leases was \$4,119 per unit, representing a 42.9% increase over previous lease rents
- The median household income for all new Q1 2022 tenants was \$198,000, producing a rent-to-income ratio of 25% and average age of new renters was 46

LEASE EXPIRATION SCHEDULE

BASED ON FUND COMMERCIAL GROSS ASSET VALUE



CURRENT LEASING COMPARISON



1. Fund leasing level excluding self-storage properties averages 96%

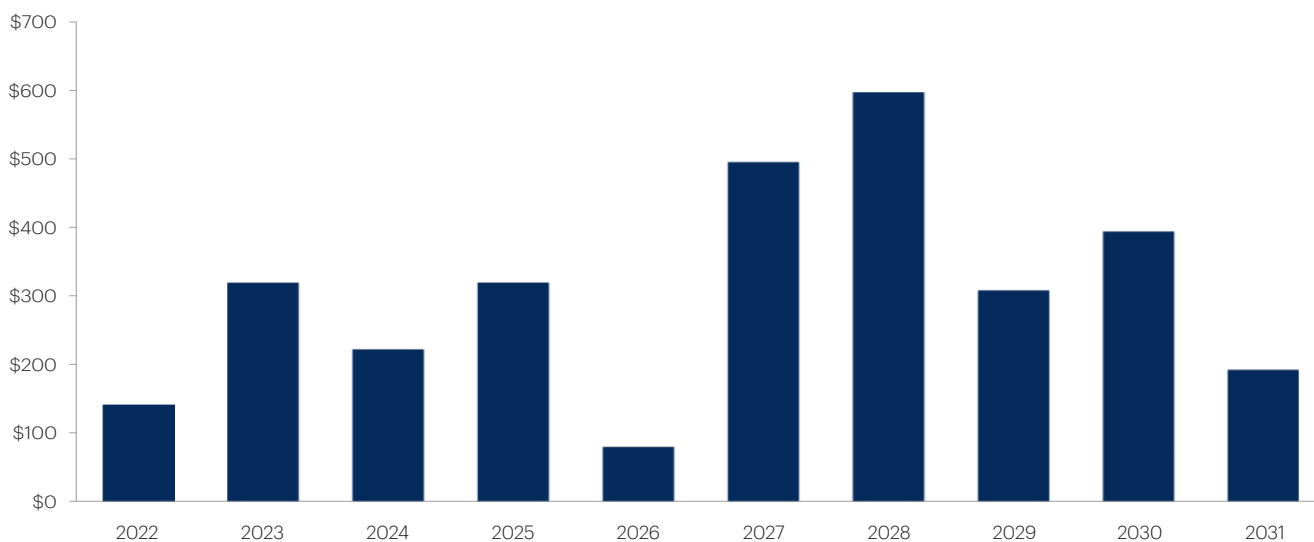
Portfolio Summary

DEBT OVERVIEW

| | |
|--|-----------|
| Total Leverage Ratio ^{1 2} | 21.5% |
| NFI-ODCE Leverage Ratio | 21.0% |
| Fixed Rate Debt ³ | 96% |
| Weighted Average Maturity of Debt ³ | 5.1 years |
| Trailing One Year Debt Service Coverage Ratio ⁴ | 4.21 |
| Weighted Average Interest Rate ⁵ | 3.71% |

LOAN MATURITIES BY YEAR⁶

\$ IN MILLIONS



| | | | | | | | | | | |
|---------------------------------|---------|---------|---------|---------|--------|---------|---------|---------|---------|---------|
| Loan Value | \$140.9 | \$318.7 | \$221.8 | \$318.9 | \$79.7 | \$494.4 | \$595.7 | \$307.6 | \$393.2 | \$192.0 |
| Percentage of Outstanding Loans | 4.6% | 10.4% | 7.2% | 10.4% | 2.6% | 16.1% | 19.5% | 10.0% | 12.8% | 6.4% |
| Weighted Average Interest Rate | 3.48% | 3.80% | 3.51% | 3.51% | 4.10% | 3.78% | 3.97% | 3.59% | 3.82% | 4.33% |

1. Total leverage (including the Credit Facility) at fair market value over total assets. Total leverage (including the Credit Facility) at cost over total assets at cost is 28.2%.

2. Total leverage (excluding the Credit Facility) at fair market value over total assets is 21.3%.

3. Excludes the Credit Facility outstanding balance and HART's share of variable interest debt on FlatIron Crossing of \$30 million and \$86 million, respectively, as of March 31, 2022.

4. Trailing one year debt service coverage ratio is 2.80 for Fund encumbered assets.

5. Weighted by Fund's share of leverage (excluding the Credit Facility) at cost. Weighted average interest rate including the Credit Facility is 3.69%.

6. Fund's share of total debt excluding the Credit Facility.

Portfolio Summary

TIER 1 (T1) TOTAL LEVERAGE RECONCILIATION:

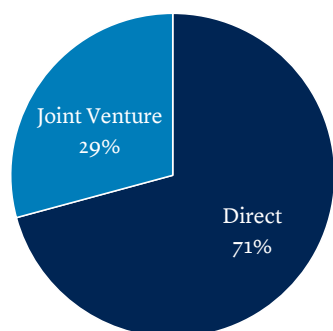
| | | |
|--|-----------|-----------------------|
| Total Assets per Condensed Combined Financial Statements | \$ | 14,876,584,965 |
| + Fund's Economic Share of Non-Consolidated Liabilities | | 1,450,416,543 |
| - Joint Venture Partner's Economic Share of Total Assets | | (2,188,503,282) |
| = Fund's Economic Share of Total Assets | \$ | 14,138,498,226 |
| Fund's Total Debt at Cost ¹ | \$ | 3,084,965,973 |
| ÷ Fund's Economic Share of Assets | | 14,138,498,226 |
| = T1 Leverage Level² | | 21.8% |

1. Includes Fund Level Debt, \$280 million outstanding as of March 31, 2022.

2. T1 Leverage Level is calculated in accordance and as defined by the NCREIF/PREA reporting standards.

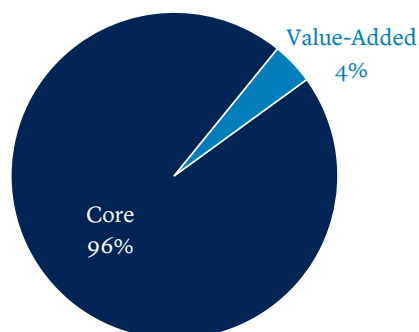
FUND STRUCTURE

BASED ON FUND GROSS VALUE



INVESTMENT STRATEGY

BASED ON FUND GROSS VALUE



TOTAL GLOBAL EXPENSE RATIO

FOR THE ROLLING FOUR QUARTER PERIODS ENDING MARCH 31, 2022 AND 2021

| | 2022 | | 2021 | |
|---|-----------|-----------------------|-----------|-----------------------|
| Asset/Fund management fees ¹ | \$ | 74,356,897 | \$ | 65,838,749 |
| Performance fees/compensation | | - | | - |
| Transaction-based management fees ² | | - | | 998,750 |
| Total Fees Earned by Investment Advisor | \$ | 74,356,897 | \$ | 66,837,499 |
| Total Vehicle-related costs charged by third parties³ | \$ | 6,304,297 | \$ | 5,745,274 |
| Average Gross Asset Value⁴ | \$ | 13,064,059,412 | \$ | 12,082,254,879 |
| Gross Asset Value TGER | | 0.62% | | 0.60% |
| Weighted Average Net Asset Value⁵ | \$ | 9,304,513,199 | \$ | 8,837,384,659 |
| Net Asset Value TGER | | 0.87% | | 0.82% |

1. Includes regularly recurring asset management fees earned by the General Partner for the ongoing management of the Fund. These fees are paid on a quarterly basis and are not included in the Fund's condensed financial statements as the asset management service arrangements are directly between the limited partners and the General Partner.

2. Includes debt arrangement fees paid to the General Partner for each financing that the General Partner arranges on behalf of the Fund.

3. Includes vehicle costs paid to third parties to maintain and grow the Fund's operations. These costs include audit costs, bank charges, custodian costs and depository costs, other/misc. vehicle administration costs, professional services costs, dead deal costs, legal costs, and appraisal/valuation costs.

4. Gross asset value is the average of the quarterly assets as of March 31, 2021 through March 31, 2022 and March 31, 2020 through March 31, 2021, respectively. Assets are calculated as follows: Total Balance Sheet assets less Joint Venture partner's economic share of total assets plus Fund's economic share of non-consolidated liabilities.

5. Net asset value is the average of the quarterly weighted net assets as of March 31, 2021 through March 31, 2022 and March 31, 2020 through March 31, 2021, respectively.

Environmental Performance

QUARTERLY ESG HIGHLIGHT

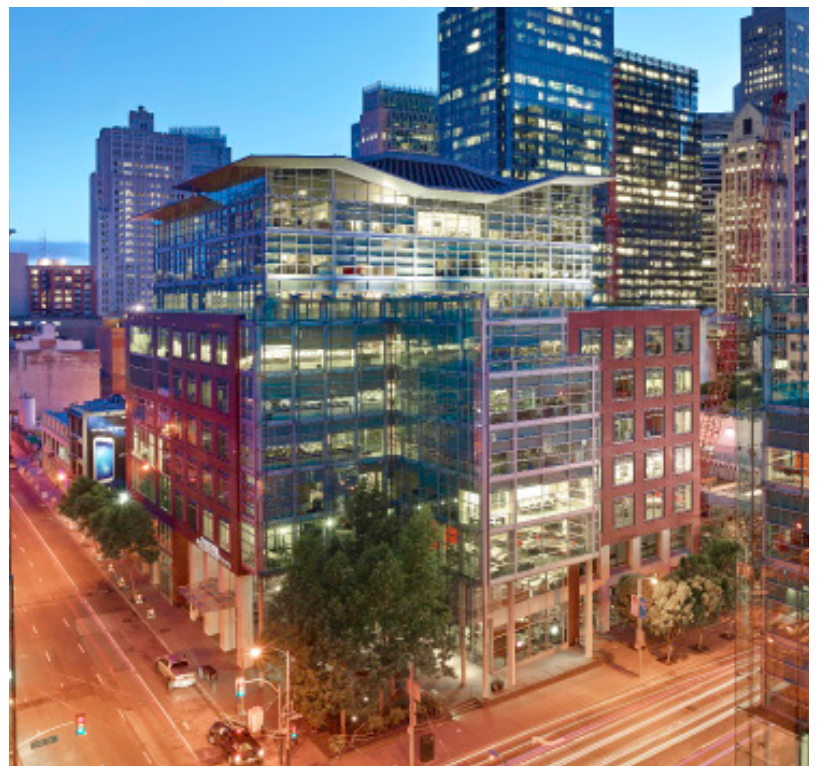
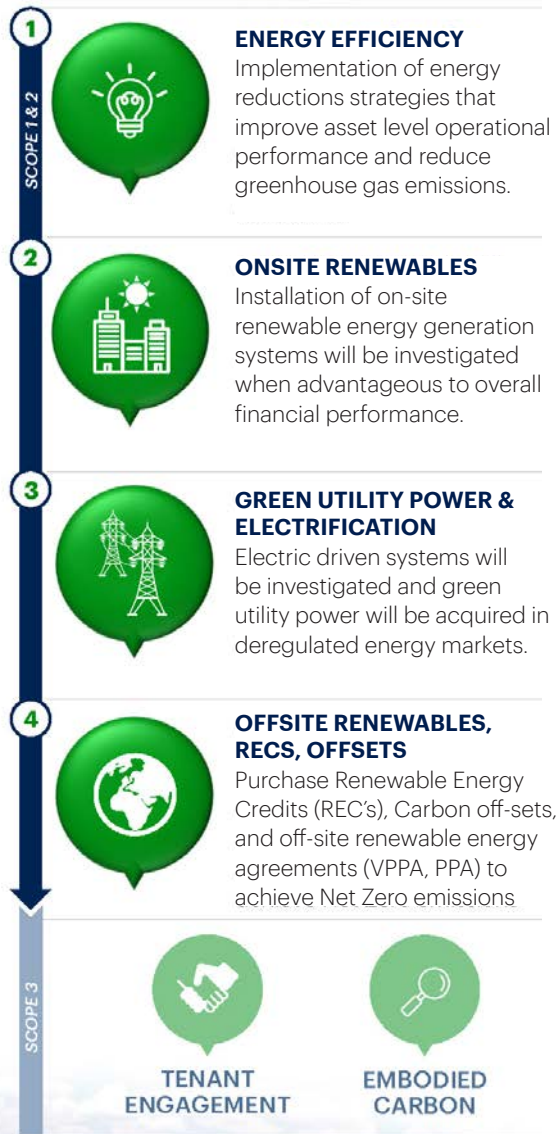
Foundry Square IV
SAN FRANCISCO, CA

In Q1 2022, procurement of 100% renewable energy was finalized for Foundry Square IV in San Francisco. All electricity used on site is now sourced from California Renewables Portfolio Standard Compliant energy under San Francisco's new carbon legislation. The building is subject to compliance in 2024 based on the square footage requirements, but has met compliance two years earlier than required by the city.

Foundry Square IV also does not emit any scope 1 emissions from on-site fuels and this procurement agreement eliminates scope 2 and 3 emissions derived from purchased electricity. The contract covers the entire building and includes its tenant's energy usage. By entering into this energy procurement agreement, the building is currently operating at net zero operational carbon emission in alignment with Heitman's pathway (Step 3) to Net Zero operational emission by 2030. The expansion of renewable energy procurement in deregulated markets is an important strategy to achieve Heitman's goal and support further decarbonization of the grid within the utility sector.

NET ZERO CARBON OPERATIONS PATHWAY

in association with  Urban Land Institute



San Francisco Greenhouse Gas Emission Legislation

San Francisco's carbon legislation calls for the City's largest commercial buildings (500,000 sq. ft+) to procure 100 percent renewable electricity from any of the City's electricity providers by 2022. Then, starting in 2024, buildings over 250,000 square feet will be subject to the requirement, eventually encompassing all commercial buildings 50,000 square feet or larger in 2030. The law aims to reduce emissions from the City's largest commercial buildings by an additional 21 percent to accelerate San Francisco's drive towards 100 percent renewable electricity by 2030.



Property Transactions

Premiere on Pine - Seattle, WA

First Quarter 2022 Acquisitions

COLUMBUS POINT COLUMBUS, OH



| | |
|-------------------------------------|------------------|
| Property Type | Industrial |
| Closing Date | January 27, 2022 |
| Gross Purchase Price (Fund's Share) | \$39.0 million |
| Fund's Share | 100.0% |
| Leverage at Acquisition | 0.0% |
| Total Square Feet/Units | 0 sqft |
| Leasing Level at Acquisition | 0% |

HART acquired 298 acres of land which allows for the phased development of approximately 4,140,500 sf of Class A industrial product in Columbus, OH. The development will increase HART's allocation to the industrial sector, which has proved difficult to access in an extremely competitive capital markets environment. A build-to-core strategy allows HART to increase the Fund's industrial exposure and achieve returns greater than typical core acquisitions.

First Quarter 2022 Dispositions

3630 PEACHTREE

ATLANTA, GA



| | |
|---------------------------------|------------------|
| Property Type | Office |
| Closing Date | January 14, 2022 |
| Gross Sale Price (Fund's Share) | \$202.0 million |
| Fund's Share | 100.0% |
| Leverage at Disposition | 0.0% |
| Total Square Feet/Units | 438,646 sqft |
| Leasing Level at Disposition | 81% |

Subsequent to a long-term hold period, the disposition of this asset was finalized upon completion of the business plan, and in advance of lease rollover risk anticipated over the intermediate-term. The sale also accomplishes a Fund level objective of reducing the commercial office sector allocation by approximately 180 bps. Proceeds from the disposition will be used to advance the Fund's strategic plan.

THE SOPHIA

JUPITER, FL



| | |
|---------------------------------|-----------------|
| Property Type | Apartment |
| Closing Date | March 28, 2022 |
| Gross Sale Price (Fund's Share) | \$202.5 million |
| Fund's Share | 100.0% |
| Leverage at Disposition | 0.0% |
| Total Square Feet/Units | 390 units |
| Leasing Level at Disposition | 98% |

Subsequent to a long-term hold period, the disposition of the asset was finalized pursuant to the successful execution of the business plan. The business plan included addressing deferred maintenance, upgrading amenities and renovating interiors. The sale takes advantage of investor interest in the South Florida submarket and strong trailing performance. Proceeds from the disposition will be used to advance the Fund's strategic plan.



Financial Statements & Notes

28 State Street - Boston, MA

Condensed Combined Financial Statements

HEITMAN AMERICA REAL ESTATE TRUST

CONDENSED COMBINED STATEMENTS OF NET ASSETS AS OF MARCH 31, 2022 AND DECEMBER 31, 2021

UNAUDITED

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| ASSETS | | |
| REAL ESTATE INVESTMENTS AT ESTIMATED FAIR VALUE: | | |
| Real estate and improvements (Cost: 2022 - \$8,626,732,901; 2021 - \$8,830,599,665) | \$ 12,192,938,657 | \$ 11,669,520,924 |
| Non-consolidated real estate corporations and ventures (Cost: 2022 - \$1,604,352,535; 2021 - \$1,594,099,155) | 2,191,414,780 | 2,039,196,104 |
| Total real estate investments | 14,384,353,437 | 13,708,717,028 |
| CASH AND CASH EQUIVALENTS | 435,842,872 | 411,460,558 |
| RESTRICTED CASH | 14,319,921 | 13,200,968 |
| ACCOUNTS RECEIVABLE (net of allowance for doubtful accounts: 2022 - \$4,373,265; 2021 - \$5,118,758) | 32,481,615 | 29,731,051 |
| OTHER ASSETS | 9,587,120 | 7,904,624 |
| Total assets | 14,876,584,965 | 14,171,014,229 |
| LIABILITIES | | |
| MORTGAGE NOTES PAYABLE AT ESTIMATED FAIR VALUE (Cost: 2022 - \$2,039,241,682; 2021 - \$2,039,775,327) | 2,018,275,930 | 2,046,053,405 |
| CREDIT FACILITY AT ESTIMATED FAIR VALUE (Cost: 2022 - \$30,000,000; 2021 - \$0) | 30,000,000 | - |
| PRIVATE PLACEMENT DEBT PAYABLE AT ESTIMATED FAIR VALUE (Cost: 2022 - \$250,000,000; 2021 - \$250,000,000) | 250,415,326 | 255,057,158 |
| REAL ESTATE TAXES PAYABLE | 37,501,104 | 45,579,246 |
| DISTRIBUTIONS PAYABLE | 89,200,000 | 99,800,000 |
| ACCOUNTS PAYABLE AND ACCRUED EXPENSES | 92,941,385 | 96,733,011 |
| Total liabilities | 2,518,333,745 | 2,543,222,820 |
| TOTAL NET ASSETS | \$ 12,358,251,220 | \$ 11,627,791,409 |
| NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | 1,436,657,956 | 1,254,066,273 |
| NET ASSETS ATTRIBUTABLE TO HEITMAN AMERICA REAL ESTATE TRUST | \$ 10,921,593,264 | \$ 10,373,725,136 |
| SHARES OUTSTANDING ATTRIBUTABLE TO HEITMAN AMERICA REAL ESTATE TRUST | 7,194,537.6856 | 7,410,881.1767 |
| NET ASSET VALUE PER SHARE ATTRIBUTABLE TO HEITMAN AMERICA REAL ESTATE TRUST | \$ 1,518.0396 | \$ 1,399.7964 |

See notes to condensed combined financial statements.

Condensed Combined Financial Statements

HEITMAN AMERICA REAL ESTATE TRUST

CONDENSED COMBINED STATEMENTS OF REAL ESTATE INVESTMENTS AS OF MARCH 31, 2022 AND DECEMBER 31, 2021

UNAUDITED

| | Total Owned Square Feet/ Units ¹ | Form of Ownership Interest | Location | 2022 | | 2021 | |
|---|---|----------------------------------|--------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| | | | | Cost | Fair Value | Cost | Fair Value |
| Real estate and improvements | | | | | | | |
| Apartments: | | | | | | | |
| 15 Bank | 501 units | Direct | White Plains, NY | \$ 177,826,876 | \$ 261,000,000 | \$ 177,561,708 | \$ 251,000,000 |
| Villas at River Oaks | 288 units | Direct | Houston, TX | 48,923,386 | 64,800,000 | 48,839,549 | 62,000,000 |
| AO Santa Monica | 350 units | Direct | Santa Monica, CA | 185,841,051 | 250,000,000 | 185,634,167 | 256,000,000 |
| Commons Park West | 340 units | Direct | Denver, CO | 118,315,872 | 185,100,000 | 117,193,792 | 178,800,000 |
| 1225 Old Town | 250 units | Direct | Chicago, IL | 162,922,531 | 160,300,000 | 162,330,519 | 160,100,000 |
| Folio | 606 units | Direct | Austin, TX | 97,852,730 | 153,000,000 | 97,726,465 | 149,000,000 |
| Biltmore at Camelback | 270 units | Direct | Phoenix, AZ | 77,244,981 | 132,000,000 | 77,137,887 | 120,000,000 |
| OneEleven | 504 units | Co-Investment | Chicago, IL | 348,856,981 | 333,000,000 | 348,472,975 | 341,000,000 |
| The Taylor | 308 units | Direct | Dallas, TX | 119,454,796 | 122,000,000 | 119,364,051 | 121,000,000 |
| The Sophia (sold 3/28/2022) | - | Direct | Jupiter, FL | - | - | 97,029,595 | 180,000,000 |
| Premiere on Pine | 386 units | Direct | Seattle, WA | 246,341,642 | 262,000,000 | 246,210,079 | 251,000,000 |
| The Porter Del Ray | 276 units | Direct | Alexandria, VA | 103,426,915 | 140,000,000 | 103,394,009 | 130,000,000 |
| Cambridge Park | 312 units | Direct | Cambridge, MA | 180,937,757 | 226,000,000 | 180,578,984 | 212,000,000 |
| Avalia Boca Raton | 297 units | Direct | Boca Raton, FL | 126,937,477 | 198,000,000 | 126,183,656 | 179,000,000 |
| Square on Fifth | 230 units | Direct | Atlanta, GA | 142,645,598 | 161,000,000 | 142,539,094 | 152,000,000 |
| Radius at 15th | 200 units | Direct | Minneapolis, MN | 77,165,961 | 104,800,000 | 77,152,883 | 102,900,000 |
| The Sawyer Providence Farm | 404 units | Direct | Charlotte, NC | 98,855,511 | 159,200,000 | 98,784,526 | 144,900,000 |
| Halo 46 | 158 units | Direct | Tampa, FL | 51,628,119 | 62,900,000 | 51,605,527 | 56,100,000 |
| The Ashborough | 504 units | Direct | Ashburn, VA | 160,264,343 | 199,400,000 | 159,941,269 | 189,200,000 |
| Total - Apartments | 6,184 units | | | 2,525,442,527 | 3,174,500,000 | 2,617,680,735 | 3,236,000,000 |
| Industrial: | | | | | | | |
| Chicago Industrial Portfolio | 4,606,268 | Direct | Various IL | 315,574,222 | 504,800,000 | 314,942,725 | 490,800,000 |
| West Coast Industrial Portfolio-CA | 3,860,421 | Co-Investment | Various CA | 356,107,556 | 1,292,800,000 | 355,580,854 | 1,045,600,000 |
| West Coast Industrial Portfolio-WA | 1,422,353 | Co-Investment | Various WA | 129,160,969 | 316,300,000 | 129,090,542 | 292,900,000 |
| New Jersey Industrial Portfolio | 1,531,596 | Direct | Various NJ | 97,918,415 | 421,900,000 | 97,686,691 | 319,800,000 |
| Westgate Building | 414,020 | Direct | San Bernardino, CA | 36,083,907 | 131,000,000 | 36,083,907 | 91,400,000 |
| Dallas Industrial Portfolio | 3,459,578 | Direct | Various TX | 282,994,031 | 436,750,000 | 282,991,430 | 408,950,000 |
| Perris Circle | 474,235 | Direct | Perris, CA | 52,277,074 | 138,000,000 | 52,277,074 | 109,000,000 |
| Rickenbacker | 972,160 | Direct | Columbus, OH | 67,060,652 | 102,300,000 | 67,060,652 | 93,800,000 |
| Gillem 900 | 1,043,418 | Direct | Atlanta, GA | 86,098,106 | 113,000,000 | 86,010,060 | 103,000,000 |
| Agua Mansa Portfolio | 813,513 | Direct | Colton, CA | 124,731,038 | 243,000,000 | 124,731,038 | 178,800,000 |
| Logistics Center Phoenix ² | - | Direct | Glendale, AZ | 41,385,599 | 80,600,000 | 30,779,879 | 37,200,000 |
| Stockton Industrial Portfolio ² | - | Joint Venture | Stockton, CA | 25,331,687 | 24,256,717 | 20,176,394 | 19,110,924 |
| Columbus Point Portfolio ² | - | Direct | Columbus, OH | 40,626,253 | 40,221,940 | - | - |
| Total - Industrial | 18,597,562 | | | 1,655,349,509 | 3,844,928,657 | 1,597,411,246 | 3,190,360,924 |
| Office: | | | | | | | |
| Alhambra Medical Office Building | 101,133 | Direct | Sacramento, CA | 47,567,857 | 64,400,000 | 47,359,146 | 61,000,000 |
| Foundry Square IV | 239,798 | Direct | San Francisco, CA | 206,803,126 | 336,000,000 | 206,803,126 | 331,000,000 |
| 3630 Peachtree (sold 1/14/2022) | - | Direct | Atlanta, GA | - | - | 177,438,394 | 202,000,000 |
| 353 North Clark | 1,184,258 | Co-Investment | Chicago, IL | 749,752,399 | 728,000,000 | 747,101,904 | 730,000,000 |
| First Hill Medical Pavilion | 229,578 | Direct | Seattle, WA | 196,657,887 | 223,000,000 | 196,628,869 | 214,000,000 |
| 1401 Lawrence | 309,987 | Direct | Denver, CO | 226,038,327 | 241,000,000 | 225,914,369 | 245,000,000 |
| Healthcare Portfolio | 962,626 | Direct | Various US | 430,833,772 | 489,000,000 | 430,515,321 | 469,700,000 |
| 28 State Street | 572,903 | Direct | Boston, MA | 450,662,408 | 489,000,000 | 449,729,735 | 483,300,000 |
| Campus at Playa Vista | 338,849 | Direct | Los Angeles, CA | 337,364,704 | 313,000,000 | 336,380,652 | 315,000,000 |
| Total - Office | 3,939,132 | | | 2,645,680,480 | 2,883,400,000 | 2,817,871,516 | 3,051,000,000 |
| Retail: | | | | | | | |
| Pinnacle at Turkey Creek | 657,264 | Direct | Knoxville, TN | 151,704,530 | 162,500,000 | 151,674,102 | 155,700,000 |
| Miracle Marketplace | 242,485 | Direct | Miami, FL | 97,995,287 | 72,300,000 | 97,995,287 | 72,100,000 |
| Shops at Pembroke Gardens | 391,688 | Joint Venture | Pembroke Pines, FL | 197,617,209 | 180,900,000 | 195,890,538 | 180,300,000 |
| Pacific Commons | 995,075 | Direct | Fremont, CA | 295,566,071 | 320,700,000 | 295,238,110 | 316,600,000 |
| Shops at Wailea | 179,402 | Direct | Wailea, HI | 364,609,697 | 318,000,000 | 364,554,569 | 305,000,000 |
| Total - Retail | 2,465,914 | | | 1,107,492,794 | 1,054,400,000 | 1,105,352,606 | 1,029,700,000 |
| Self-Storage: | | | | | | | |
| Storage Post I Portfolio | 18,047 units | Joint Venture | NJ & NY | 323,810,242 | 544,150,000 | 323,419,790 | 535,050,000 |
| Metro Portfolio | 11,879 units | Joint Venture | Various US | 146,853,832 | 329,100,000 | 146,785,336 | 282,950,000 |
| Storage Post II Portfolio | 3,707 units | Joint Venture | Various NY | 130,194,992 | 170,600,000 | 130,184,482 | 167,600,000 |
| CubeSmart II Portfolio | 5,850 units | Joint Venture | Various US | 91,908,525 | 191,860,000 | 91,893,954 | 176,860,000 |
| Total - Self-Storage | 39,483 units | | | 692,767,591 | 1,235,710,000 | 692,283,562 | 1,162,460,000 |
| Total real estate and improvements | | | | \$ 8,626,732,901 | \$ 12,192,938,657 | \$ 8,830,599,665 | \$ 11,669,520,924 |
| Non-consolidated real estate corporations and ventures | | | | | | | |
| Retail: | | | | | | | |
| Freehold Chandler Holdings LP | 1,654,571 | Joint Venture | AZ & NJ | \$ 1,383,461 | \$ 121,908,498 | \$ 3,731,975 | \$ 118,913,552 |
| Macerich HHF Centers LLC | 2,247,041 | Joint Venture | CO & NJ | 570,645,540 | 225,764,061 | 559,148,580 | 219,594,678 |
| Macerich HHF Broadway Plaza LLC | 679,618 | Joint Venture | Walnut Creek, CA | 206,103,839 | 168,583,844 | 204,195,315 | 169,656,977 |
| Total - Retail | 4,581,230 | | | 778,132,840 | 516,256,403 | 767,075,870 | 508,165,207 |
| Self-Storage: | | | | | | | |
| Life Storage I Portfolio (f/k/a Sovran I Portfolio) | 23,344 units | Joint Venture | Various US | 240,320,225 | 542,587,342 | 241,268,256 | 495,256,569 |
| Life Storage II Portfolio (f/k/a Sovran II Portfolio) | 15,366 units | Joint Venture | NJ, PA, & TX | 13,458,631 | 276,593,519 | 13,555,277 | 255,332,775 |
| CubeSmart I Portfolio | 14,342 units | Joint Venture | NC & TX | 83,756,732 | 143,036,791 | 83,925,024 | 129,467,462 |
| NSA HHF JV, LLC | 65,574 units | Co-Investment | Various US | 488,684,107 | 712,940,725 | 488,274,728 | 650,974,091 |
| Total - Self-Storage | 118,626 units | | | 826,219,695 | 1,675,158,377 | 827,023,285 | 1,531,030,897 |
| Total non-consolidated real estate corporations and ventures | | | | \$ 1,604,352,535 | \$ 2,191,414,780 | \$ 1,594,099,155 | \$ 2,039,196,104 |

1. 100%, including Joint Venture partner share, if applicable.
2. No owned square feet due to currently being under development.

See notes to condensed combined financial statements.

Condensed Combined Financial Statements

HEITMAN AMERICA REAL ESTATE TRUST

CONDENSED COMBINED STATEMENTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND THE YEAR ENDED DECEMBER 31, 2021

UNAUDITED

| | 2022 | 2021 |
|--|-------------------------|-------------------------|
| INVESTMENT INCOME: | | |
| Revenues from real estate and improvements | \$ 171,687,727 | \$ 694,770,258 |
| Equity income from non-consolidated real estate corporations and ventures | 27,103,957 | 106,149,365 |
| Interest income | 27,022 | - |
| Total investment income | 198,818,706 | 800,919,623 |
| EXPENSES: | | |
| Real estate operating expenses | 33,879,265 | 132,012,226 |
| Real estate taxes | 31,239,754 | 121,672,570 |
| Interest expense | 21,005,588 | 83,791,693 |
| Financing costs | - | 838,930 |
| General and administrative expenses | 3,695,577 | 11,141,512 |
| Total expenses | 89,820,184 | 349,456,931 |
| NET INVESTMENT INCOME | 108,998,522 | 451,462,692 |
| REALIZED AND UNREALIZED GAIN (LOSS) ON REAL ESTATE INVESTMENTS: | | |
| Net proceeds from real estate and improvements sold | 398,385,770 | 347,960,422 |
| Less cost of real estate and improvements sold | (276,150,810) | (276,377,738) |
| Realization of previously recorded unrealized gain on real estate and improvements sold | (107,510,766) | (30,124,733) |
| Equity in realized gain on disposed non-consolidated real estate corporations and ventures | - | 41,855,512 |
| Realization of previously recorded unrealized (gain) loss on disposed non-consolidated real estate corporations and ventures | 3,227,588 | (34,608,858) |
| Net realized and unrealized gain | 17,951,782 | 48,704,605 |
| Unrealized gain on real estate and improvements | 834,795,263 | 1,648,636,905 |
| Unrealized gain on investments in non-consolidated real estate corporations and ventures | 141,965,296 | 395,361,074 |
| Unrealized gain on derivative financial instrument | 1,600,025 | 1,584,906 |
| Unrealized gain (loss) on mortgage notes payable | 27,243,830 | (2,614,729) |
| Unrealized gain on private placement debt payable | 4,641,832 | 599,705 |
| Net unrealized gain | 1,010,246,246 | 2,043,567,861 |
| NET REALIZED AND UNREALIZED GAIN | 1,028,198,028 | 2,092,272,466 |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | \$ 1,137,196,550 | \$ 2,543,735,158 |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | | |
| ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | 197,291,582 | 429,649,616 |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | | |
| ATTRIBUTABLE TO HEITMAN AMERICA REAL ESTATE TRUST | \$ 939,904,968 | \$ 2,114,085,542 |

See notes to condensed combined financial statements.

Condensed Combined Financial Statements

HEITMAN AMERICA REAL ESTATE TRUST

CONDENSED COMBINED STATEMENTS OF CHANGES IN NET ASSETS FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND THE YEAR ENDED DECEMBER 31, 2021

UNAUDITED

| | Heitman America Real Estate Trust | | Non-controlling Interests | Total |
|--|-----------------------------------|--------------------------|------------------------------|--------------------------|
| | Shares | Amount | | |
| NET ASSETS, JANUARY 1, 2021 | 7,334,775.2633 | \$ 8,547,088,899 | \$ 882,508,525 | \$ 9,429,597,424 |
| NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM: | | | | |
| OPERATIONS: | | | | |
| Net investment income | | 402,658,613 | 48,804,079 | 451,462,692 |
| Net realized and unrealized gain | | 1,711,426,929 | 380,845,537 | 2,092,272,466 |
| CAPITAL TRANSACTIONS: | | | | |
| Contributions | 409,000.0525 | 496,483,010 | 3,000,000 | 499,483,010 |
| DRIP contributions | 75,629.3216 | 91,567,685 | - | 91,567,685 |
| Redemptions | (408,523.4607) | (505,000,000) | - | (505,000,000) |
| Distributions | | (370,500,000) | (61,091,868) | (431,591,868) |
| NET ASSETS, DECEMBER 31, 2021 | 7,410,881.1767 | 10,373,725,136 | 1,254,066,273 | 11,627,791,409 |
| NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM: | | | | |
| OPERATIONS: | | | | |
| Net investment income | | 96,463,544 | 12,534,978 | 108,998,522 |
| Net realized and unrealized gain | | 843,441,424 | 184,756,604 | 1,028,198,028 |
| CAPITAL TRANSACTIONS: | | | | |
| Contributions | 51,436.0517 | 72,000,000 | - | 72,000,000 |
| DRIP contributions | 17,976.3000 | 25,163,160 | - | 25,163,160 |
| Redemptions | (285,755.8428) | (400,000,000) | - | (400,000,000) |
| Distributions | | (89,200,000) | (14,699,899) | (103,899,899) |
| NET ASSETS, MARCH 31, 2022 | 7,194,537.6856 | \$ 10,921,593,264 | \$ 1,436,657,956 | \$ 12,358,251,220 |

See notes to condensed combined financial statements.

Condensed Combined Financial Statements

HEITMAN AMERICA REAL ESTATE TRUST

CONDENSED COMBINED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND THE YEAR ENDED DECEMBER 31, 2021

UNAUDITED

| | 2022 | 2021 |
|---|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net increase in net assets resulting from operations | \$ 1,137,196,550 | \$ 2,543,735,158 |
| Adjustments to reconcile net change in net assets resulting from operations to net cash flows from operating activities: | | |
| Net realized and unrealized gain | (1,028,198,028) | (2,092,272,466) |
| Equity income from non-consolidated real estate corporations and ventures | (27,103,957) | (106,149,365) |
| Distributions from non-consolidated real estate corporations and ventures | 30,492,247 | 183,861,360 |
| Purchases of real estate and improvements | (30,819,343) | (91,219,041) |
| Acquisitions of real estate and improvements | (39,035,880) | (305,334,393) |
| Proceeds from sale of real estate and improvements | 398,385,770 | 347,960,422 |
| Contributions to non-consolidated real estate corporations and ventures | (10,414,082) | (19,220,299) |
| Financing costs | - | 838,930 |
| Changes in: | | |
| Accounts receivable | (2,750,564) | 9,212,864 |
| Other assets | (1,682,496) | (2,340,808) |
| Real estate taxes payable | (8,078,142) | 212,993 |
| Accounts payable and accrued expenses | (4,620,424) | 7,395,185 |
| Net cash flows from operating activities | 413,371,651 | 476,680,540 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from the credit facility | 30,000,000 | 135,000,000 |
| Payments on the credit facility | - | (135,000,000) |
| Proceeds from mortgage notes payable | - | 192,000,000 |
| Principal payments on mortgage notes payable | (533,645) | (858,794) |
| Payoff on mortgage notes payable | - | (192,000,000) |
| Payment of financing costs | - | (838,930) |
| Limited partner capital contributions | 72,000,000 | 496,483,010 |
| Limited partner redemptions | (400,000,000) | (505,000,000) |
| Capital contributions from non-controlling interests | - | 3,000,000 |
| Distributions to limited partners, net of reinvestment | (74,636,840) | (260,532,315) |
| Distributions to non-controlling interests | (14,699,899) | (61,091,868) |
| Net cash flows from financing activities | (387,870,384) | (328,838,897) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH | 25,501,267 | 147,841,643 |
| CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - Beginning of period | 424,661,526 | 276,819,883 |
| CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - End of period | \$ 450,162,793 | \$ 424,661,526 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid during the period for interest | \$ 21,435,816 | \$ 83,614,366 |

SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:

Real estate and improvements at March 31, 2022 and December 31, 2021, includes liabilities of \$28,931,417 and \$26,502,594, respectively, of accruals for leasing commissions and tenant building improvements.

See notes to condensed combined financial statements.

Notes to Condensed Combined Financial Statements

HEITMAN AMERICA REAL ESTATE TRUST

NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND THE YEAR ENDED DECEMBER 31, 2021

UNAUDITED

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Heitman America Real Estate Trust (the "Fund") is comprised of Heitman America Real Estate Trust, L.P. ("HARTLP") and Heitman America Real Estate Trust (PF#1), L.P. ("PF#1"). HARTLP is a Delaware Limited Partnership established by an Amended and Restated Agreement of Limited Partnership dated January 4, 2007 and most recently amended on January 22, 2019. On July 12, 2013, the General Partner established an investment vehicle ("Parallel Fund") for investors with special legal, regulatory, tax, or other needs to invest in real estate investments with HARTLP. The Fund's Parallel Fund, PF#1, is a Delaware Limited Partnership established by an Amended and Restated Agreement of Limited Partnership dated July 12, 2013 and most recently amended on October 9, 2014 (together with HARTLP, the "Partnership Agreements").

The general partner of HARTLP and PF#1 is Heitman America Real Estate Trust, LLC (the "General Partner"). The accompanying condensed combined financial statements of HARTLP and PF#1 are under common ownership as well as common management by the General Partner. Operating and organizational expenses incurred by HARTLP and PF#1 are allocated pro rata in proportion to their respective net asset values.

The Fund is organized as a perpetual-life, open-ended pooled fund for the objective and purpose of creating a high-quality, low risk, diversified portfolio of stabilized, income-producing real estate investments. All authority to conduct the business of the Fund is vested in the General Partner. The managing member of the General Partner is Heitman Capital Management LLC ("HCM"). The General Partner may, at its discretion, appoint an affiliate of HCM to assist in identifying and acquiring suitable investments and to assist with management, administration and operation of the Fund. Any compensation for these services will be paid out of the General Partner's management fees. The General Partner has established an Advisory Board (the "Advisory Board"), in accordance with the Partnership Agreements. The General Partner, in its sole discretion, may consult with the Advisory Board with respect to Fund matters.

The Fund shall continue until dissolved, pursuant to the events of dissolution as defined in the Partnership Agreements.

The General Partner may, at its discretion, establish additional Parallel Fund vehicles. The General Partner shall direct and control the operations of each Parallel Fund.

The General Partner on behalf of the Fund is authorized to enter into one or more credit facilities (each, a "Credit Facility") to finance the acquisition and ownership of real estate investments and to otherwise carry out the business and activities permitted per the Partnership Agreements.

The Fund's initial closing occurred on January 4, 2007, with nine limited partners (the "Initial Limited Partners") totaling \$800,000,000 in equity commitments (the "Initial Contributions"). Subsequently, additional equity commitments totaling to \$7,959,665,770, including \$124,292,760 of PF#1, consisting of 128 investors, increased the total to \$8,759,665,770. As of March 31, 2022, the total unfunded capital commitments of the Fund, including \$0 of PF#1, were \$110,000,000.

All shares acquired are permitted to be redeemed on a quarterly basis. Outstanding redemption requests will be accommodated each calendar quarter as liquid assets permit. To the extent that liquid assets are insufficient during any calendar quarter to satisfy all outstanding redemption requests, redemptions will be made on a pro rata basis as liquid assets become available. The General Partner will have the discretion to determine the extent to which liquid assets are available for redemption or are necessary for the ongoing expenses (including debt payments), investments, capital expenditures or reserves. Shares will be redeemed at a price that reflects the Fund's net asset value as of the last day of the calendar quarter subsequent to the calendar quarter in which the redemption request is received. The Fund will not be obligated to sell, finance or refinance any investments to satisfy redemption requests. For the three months ended March 31, 2022 and the year ended December 31, 2021, the Fund redeemed 285,756 shares totaling \$400,000,000 and 408,523 shares totaling \$505,000,000, respectively. At March 31, 2022 and December 31, 2021, there were \$1,339,532,926 and \$1,615,462,407 of outstanding redemption requests, respectively. Subsequent to March 31, 2022, the Fund paid \$360,000,000 in redemption requests (see Note 7).

Basis of Presentation – The Fund reports as an investment company. The accompanying condensed combined financial statements of the Fund have been presented on the fair value basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of each of the wholly owned title holding companies owning real estate investments and majority owned or controlled real estate entities. All significant intercompany balances and transactions are eliminated in consolidation and combination.

These condensed combined financial statements do not include all of the disclosures necessary in conformance with GAAP for annual combined financial statements. The results of operations for the three months ended March 31, 2022 are not necessarily indicative of the operating results anticipated for the full year. Accordingly, these unaudited condensed combined financial statements should be read in conjunction with the annual combined financial statements for the year ended December 31, 2021.

The Fund has entered into several real estate corporation and venture relationships with third party owner/operators. For those ventures in which the Fund has control over decision making, the underlying accounts are

Notes to Condensed Combined Financial Statements

consolidated in the Fund's condensed combined financial statements with the external partners' net share, as determined in accordance with the venture documents, reflected as non-controlling interests.

In accordance with Accounting Standards Codification ("ASC") Topic 810, *Consolidation*, certain entities are considered variable interest entities ("VIEs") because the non-controlling interests do not have substantive kick-out or participating rights. Using the variable interest entity model, the Fund consolidates any VIEs in which the Fund is the primary beneficiary.

Lake Michigan Partners I, L.P., Lake Michigan Partners II, L.P., and Heitman Storage Partners Co-Investment PV, LLC, which own through co-investment 353 North Clark, OneEleven, and the iStorage Portfolio, respectively, are consolidated VIEs. As of March 31, 2022, the total assets and liabilities of the Fund's consolidated VIEs are \$1,829,027,380 and \$433,112,424 respectively. As of December 31, 2021, the total assets and liabilities of the Fund's consolidated VIEs are \$1,783,765,631 and \$444,111,477, respectively.

The Fund does not consolidate those ventures over which it exercises significant influence over operating, investing and financial policies, but does not maintain overall control. These investments in non-consolidated real estate corporations and ventures are recorded at the original investment, plus additional amounts invested and subsequently adjusted for the Fund's share of undistributed earnings or losses (including unrealized appreciation and depreciation) and distributions from the underlying entity.

Income and Distribution Allocations – Income is allocated based on respective share ownership interests among the limited partners.

Distributions are allocated based on respective share ownership interests among the limited partners. Each limited partner may participate in the Dividend Reinvestment Program ("DRIP") and elect to have their distributions reinvested in additional shares in the Fund at a price that reflects the Fund's net asset value as of the last day of the calendar quarter immediately preceding the date of the distribution payment.

Management's Use of Estimates – The preparation of the condensed combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed combined financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates. The Fund's estimates of fair value are based on the best information available to management at the date of valuation. Amounts ultimately realized may vary significantly from the fair values presented.

Risks and Uncertainties – Investing in real estate is subject to risks and uncertainties disclosed in the Fund's private placement memorandum, including the following:

Investment in Real Estate Generally – The Fund's investments will be subject to the risks incident to ownership and development of real estate, including risks associated with changes in the

general economic climate, changes in the overall real estate market, local real estate conditions, the financial condition of tenants, buyers and sellers of properties, supply of or demand for competing properties in an area, accelerated construction activity, technological innovations that dramatically alter space requirements, the availability of financing, changes in interest rates, competition based on rental rates, energy and supply shortages, operating cost increases, various uninsured and uninsurable risks and government regulations.

During the first quarter of 2020, a novel coronavirus ("COVID-19"), began spreading globally, with the outbreak being classified as a pandemic by the World Health Organization on March 11, 2020. The Fund is closely monitoring the impact of COVID-19 on all aspects of its investments, including how it impacts its tenants. The Fund continues to engage in discussions with tenants regarding the impact of COVID-19 on their business operations, liquidity, financial position, and ability to pay rent and other obligations due to the Fund and other parties. Although COVID-19 has not had a material adverse effect on the Fund for the three months ended March 31, 2022 and the year ended December 31, 2021, the future impact of COVID-19 and related variants could result in a material impact to the Fund's future financial position, results of operations, and cash flows.

Real Estate Investments – Real estate investments are carried at estimated fair value. An independent appraisal management firm (the "AMF") oversees and administers the appraisal process for the Fund. The current AMF is Altus Group. Real estate and improvements, held directly or through a consolidated or non-consolidated venture, are stated at estimated fair value as approved by the General Partner, based on values presented by the AMF or prepared by the General Partner. Except as provided below, the Fund's real estate and improvements are appraised annually by independent real estate appraisers (members of the American Institute of Real Estate Appraisers). On a quarterly basis, the AMF presents the appraised values, which are updated by the appraisers based upon financial and leasing updates provided by the General Partner and changes in factors such as occupancy levels, lease amendments, overall market conditions and capital improvements.

Prior to its first appraisal, all acquired real estate and improvements will be valued at cost plus capital expenditures, as deemed to approximate fair value, and will join the annual valuation cycle within 12 months following its acquisition date. A value-added property may be valued at the discretion of the General Partner at cost (including subsequent capital expenditures) until the substantial completion of the value-added program (or sooner at the discretion of the General Partner), and thereafter will be appraised in accordance with the procedures described above.

Determination of estimated fair value involves subjective judgment because the actual fair value of real estate can be determined only by negotiation between parties in a sale transaction and amounts ultimately realized may vary from the fair values presented. For the three months ended March 31, 2022 and the year ended December 31, 2021, \$413,813 and \$2,399,761 of acquisition costs attributable to the Fund were capitalized and written off immediately in unrealized loss on the condensed combined statements of operations, respectively.

Notes to Condensed Combined Financial Statements

Cash and Cash Equivalents – The Fund considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. As of March 31, 2022 and December 31, 2021, \$104,193,684 and \$222,028,451, respectively, of cash and cash equivalents is invested in an exchange-traded money market fund. From time to time, amounts deposited in operating cash accounts may be in excess of the FDIC insurance level.

For purposes of the presentation of the condensed combined statements of cash flows, the cash and cash equivalents balance is combined with restricted cash held by the Fund. A reconciliation of the balances is shown below.

| | As of March 31, 2022 | | As of December 31, 2021 | |
|--|-------------------------|--------------------|----------------------------|--------------------|
| Cash and cash equivalents | \$ | 435,842,872 | \$ | 411,460,558 |
| Restricted cash | | 14,319,921 | | 13,200,968 |
| Total cash and cash equivalents and restricted cash | \$ | 450,162,793 | \$ | 424,661,526 |

Restricted Cash – Restricted cash includes real estate tax, real estate improvement and insurance escrows that are required as part of mortgage note agreements, redevelopment escrows, and security, loan and utility deposits.

Mortgage Notes and Financing Costs – Mortgage notes payable is shown at estimated fair value.

Financing costs represent costs incurred in connection with obtaining the mortgage notes, Credit Facility, and private placement debt.

Credit Facility – The Credit Facility is shown at estimated fair value. Cost approximates fair value as of March 31, 2022 and December 31, 2021.

Private Placement Debt – Private placement debt payable is shown at estimated fair value.

Derivative Financial Instrument – In the normal course of business, derivative financial instruments are used to manage or hedge interest rate risk. The Fund entered into an interest rate swap agreement on a mortgage note payable to effectively cap or convert floating rate debt to a fixed rate basis. The change in fair value of the derivative financial instrument is recorded to the condensed combined statements of operations as an unrealized gain or loss.

The Fund records its derivative financial instrument, an interest rate swap, at fair value, which is the estimated amount that the Fund would receive or pay in a current exchange transaction. As of March 31, 2022 and December 31, 2021, the interest rate swap was recorded in other assets in the amount of \$892,277 and recorded in accounts payable and accrued expenses in the amount of \$707,749, respectively.

Distributions Payable – The Fund recognizes undistributed declared distributions as a payable as of the date of the condensed combined statements of net assets.

Revenue Recognition – Revenue from real estate and improvements is recognized on an accrual basis when earned in accordance with the terms of the underlying lease agreements. Other lease rental income, such as adjustments based on the Consumer Price Index, charges to tenants for their share of operating expenses, and percentage rents based on sales, are recognized when earned.

Lease cancellation fees are recognized as income when the lease is terminated. For the three months ended March 31, 2022 and the year ended December 31, 2021, the Fund recorded \$447,107 and \$2,510,565, respectively, of lease cancellation income. Such amounts are included in the condensed combined statements of operations as revenues from real estate and improvements.

Income Taxes – The Fund is not subject to federal and state income taxes. Taxable income and losses of the Fund are reportable on the income tax return of the respective partners. The Fund makes certain investments through subsidiaries that operate as real estate investment trusts (“REITs”) under Sections 856 through 860 of the Internal Revenue Code. In order to qualify as a REIT for federal income tax purposes, a REIT must continually satisfy certain requirements including, but not limited to, distributing at least 90% of its ordinary taxable income. A REIT may distribute all of its capital gains or pay corporate income tax on any undistributed capital gains. In addition, REITs are required to meet certain asset and income tests.

REITs are generally not subject to corporate level federal income tax on taxable income distributed currently to shareholders. If an entity fails to qualify as a REIT, it would be subject to federal income taxes at regular corporate rates and may not be able to qualify as a REIT for four subsequent taxable years. Even if an entity qualifies as a REIT, it may be subject to certain state and local taxes on income or property and to federal income and excise taxes on undistributed taxable income and capital gain. The Fund’s subsidiaries that operate as REITs have distributed 100% of their taxable income and therefore no provision for federal income taxes has been made in the accompanying condensed combined financial statements.

The Fund holds certain investments in taxable REIT subsidiaries (“TRSs”), which are subject to taxation at normal corporate rates. A provision for income tax expense, which is not significant, has been recorded in general and administrative expenses on the condensed combined statements of operations.

The Fund evaluates tax positions taken in the course of preparing the Fund’s tax returns to determine whether tax positions are “more likely than not” of being sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the “more likely than not” threshold would be recorded as a tax expense in the current year. For the three months ended March 31, 2022 and the year ended December 31, 2021, there have been no uncertain tax positions.

Recent Accounting Pronouncements – In February 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”), as amended. The guidance requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance and operating leases

Notes to Condensed Combined Financial Statements

will result in the lessee recognizing a right-of-use (ROU) asset and a corresponding lease liability. Lessor accounting will not be fundamentally changed. ASU 2016-02 is effective for the Fund's condensed combined financial statements for the year ending December 31, 2022. The FASB has also issued certain standards which clarify ASU 2016-02 and have the same effective date as the original standard. The Fund is currently evaluating the impact of ASU 2016-02 and any related amendments, but does not anticipate they will have a material impact on its condensed combined financial statements.

2. REAL ESTATE INVESTMENTS

The Fund's real estate investments consist of direct and venture investments with third-party owner/operators. The ventures allocate income to the venture partners based on achieving certain estimated threshold returns. As higher estimated return thresholds are met, a larger income allocation is made to the third-party venture partners (the "Promote"). Therefore, the Promote may cause the Fund's effective ownership interest in a venture's net assets to be different than its legal ownership percentage. Non-consolidated real estate corporations and ventures, and net assets attributable to non-controlling interests, reflect the impact of the Promote (if any). The estimated venture returns are calculated in accordance with each venture's documents and reflect the deemed liquidation of each venture's net assets.

The ventures allocate distributions to the venture partners based on achieving actual return thresholds. As higher actual return thresholds are met, a larger portion of the distributions is made to the third-party venture partners ("Promote Distribution"). For the three months ended March 31, 2022 and the year ended December 31, 2021, no Promote Distributions were made as certain thresholds were not achieved.

As of March 31, 2022 and December 31, 2021, the Fund has \$350,970,355 and \$255,372,494, respectively, of unfunded capital commitments to real estate and improvements and non-consolidated real estate corporations and ventures (subject to various terms and conditions in accordance with the venture agreements).

3. CREDIT FACILITY

The Fund entered into a \$200,000,000 Credit Facility agreement with Bank of America ("BofA") on April 24, 2013. On July 1, 2013, BofA, as the administrative agent, evenly assigned 63.75% of the Credit Facility to three additional institutions, JP Morgan Chase Bank, PNC Bank, and Wells Fargo Bank (collectively with BofA the "Lenders").

During 2015, the Fund amended the Credit Facility agreement, increasing to a maximum aggregated principal amount of \$400,000,000. BofA has committed 31.25% of the Credit Facility and has assigned 21.25% to JP Morgan Chase Bank, 16.25% to PNC Bank, and 31.25% to Wells Fargo Bank.

On June 27, 2018, the Fund amended the Credit Facility agreement, by extending the term of the loan to June 27, 2021. All other terms from the previously amended agreement remained the same.

On June 27, 2021, the Fund exercised the first of two options to extend the term of the Credit Facility by one year to June 27, 2022. All other terms from the previously amended agreement remained the same.

The Fund has the ability to request one remaining Credit Facility increase. The increase must be greater than or equal to \$25,000,000 unless otherwise agreed by the administrative agent. The maximum aggregated principal amount may not exceed \$600,000,000. Each lender shall notify the administrative agent whether or not it agrees to increase its commitment, and if so, whether by an amount equal to, greater than, or less than the assigned percentages.

The Fund is a guarantor of the Credit Facility. The amended Credit Facility matures on June 27, 2022, with one one-year extension option, which is subject to compliance with financial covenants, and is exercisable at the Fund's discretion.

Provided the ratio of total indebtedness to total asset value is below 30%, the floating daily interest rate for each borrowing is the one-month LIBOR plus 1.00%. Additionally, the Fund pays annually a facility fee of 15 basis points and an administrative agency fee of \$50,000. Should the ratio of indebtedness fall within the range between 30%-40%, the floating daily interest rate for each borrowing would be the one-month LIBOR plus 1.15%. Additionally, the Fund would continue to pay annually a facility fee of 20 basis points and an administrative agency fee of \$50,000. Should the ratio of indebtedness be greater than 40%, the floating daily interest rate for each borrowing would be the one-month LIBOR plus 1.25%. Additionally, the Fund would continue to pay annually a facility fee of 20 basis points and an administrative agency fee of \$50,000.

Payments of interest are made on a monthly basis. Facility fees and administrative agency fees are included in the condensed combined statements of operations as general and administrative expenses. The Fund additionally has the option to take out letters of credit up to 10% of the Credit Facility's aggregate commitment, on which it would pay a fronting fee with respect to each letter of credit issued and outstanding equal to 0.125% per year of the amount available to be drawn. The borrowings are pre-payable in whole or in part without prepayment penalty given three business days' notice for such prepayment. As of March 31, 2022 and December 31, 2021, no letters of credit have been issued.

As of March 31, 2022 and December 31, 2021, \$30,000,000 and \$0, respectively, were outstanding under the Credit Facility at daily floating interest rates. The one-month LIBOR plus 1.00% at March 31, 2022 and December 31, 2021 were 1.45% and 1.10%, respectively.

The Fund has agreed to maintain certain financial ratios, including ratios of indebtedness to net assets. Management believes the Fund was in compliance with all financial covenants at March 31, 2022.

4. MORTGAGE NOTES PAYABLE AND PRIVATE PLACEMENT DEBT PAYABLE

On May 5, 2021, the Fund refinanced the mortgage note on 28 State, paying the outstanding balance of \$192,000,000. The refinanced mortgage note

Notes to Condensed Combined Financial Statements

is in the amount of \$192,000,000. The note is interest only with a fixed interest rate of 4.33% and a maturity date of May 10, 2031. The note is collateralized by a mortgage on real property and all rents and profits of the underlying property.

As of March 31, 2022 and December 31, 2021, the fair value of mortgage notes payable totaled \$2,018,275,930 and \$2,046,053,405, respectively, bearing fixed interest rates of 2.55% - 5.15%. As of March 31, 2022 and December 31, 2021, these mortgage notes payable were collateralized by properties with fair value of \$5,548,736,072 and \$5,306,227,207, respectively. All of the mortgage notes payable contain prepayment penalty provisions. As of March 31, 2022, aggregate contractual maturities of debt are as follows by calendar year:

| Year Ending December 31 | | |
|-------------------------|-----------|----------------------|
| 2022 | \$ | 138,681,835 |
| 2023 | | 354,998,618 |
| 2024 | | 94,267,147 |
| 2025 | | 418,906,558 |
| 2026 | | 1,681,820 |
| Thereafter | | 1,283,011,203 |
| Total | \$ | 2,291,547,181 |

The Fund has \$463,702,684 of debt maturing within one year of the issuance date of the condensed combined financial statements. The Fund has the intent and ability to refinance or pay down the mortgage notes payable upon maturity.

5. RELATED PARTY TRANSACTIONS

The Fund has engaged the General Partner to provide investment management services. Below is a detailed summary of the fees incurred for these services for the three months ended March 31, 2022 and the year ended December 31, 2021.

SCHEDULE OF INVESTMENT MANAGEMENT FEES

| Investment Management Fees | Financial Statement Caption | Three Months Ended March 31, 2022 | Year Ended December 31, 2021 | Fee Description |
|---|-----------------------------|-----------------------------------|------------------------------|-------------------|
| Asset Management Fees ¹ | N/A ² | \$ 19,758,560 | \$ 70,985,581 | % of NAV (varies) |
| Total Investment Management Fees | | \$ 19,758,560 | \$ 70,985,581 | |

1. In accordance with the Partnership Agreements, each of the limited partners has separately engaged the General Partner to provide asset management services. For the three months ended March 31, 2022 and the year ended December 31, 2021, the limited partners paid asset management fees in the amounts of \$19,353,467 and \$67,860,527, respectively. As of March 31, 2022 and December 31, 2021, asset management fees of \$19,758,560 and \$19,353,467, respectively, remain outstanding to be paid by the limited partners.

2. Asset Management Fees are not included in the Fund's condensed combined financial statements as the asset management service arrangements are directly between the limited partners and the General Partner. The General Partner may direct a portion of the limited partners' distributions to the General Partner for payment of such asset management fees. If such amount is insufficient to cover the asset management fee in any quarter, the limited partner will be required to remit the difference to the General Partner.

For the three months ended March 31, 2022 and the year ended December 31, 2021, the Fund incurred \$0 and \$438,000 of financing fees to the General Partner for non-consolidated real estate corporations and ventures, respectively.

For the three months ended March 31, 2022 and the year ended December 31, 2021, the Fund incurred \$0 of acquisition fees to certain of its venture partners. In addition, the Fund's venture partners are paid a property management fee based on a percentage of gross receipts ranging from 1.5% - 6.0%.

6. FINANCIAL HIGHLIGHTS

The Fund computes net assets per share on a quarterly basis. The financial highlights for the three months ended March 31, 2022 and the year ended December 31, 2021 are as follows:

| Per share operating performance | 2022 | 2021 |
|--|----------------------|----------------------|
| Net asset value, beginning of period | \$ 1,399.7964 | \$ 1,165.2830 |
| Income from investment operations | | |
| Net investment income | 13.4079 | 54.1193 |
| Net realized and unrealized gain | 117.2336 | 230.1945 |
| Total from investment operations | 130.6415 | 284.3138 |
| Less distributions | (12.3983) | (49.8004) |
| Net asset value, end of period | \$ 1,518.0396 | \$ 1,399.7964 |
| Total return ^{1 2} | 9.4% | 24.9% |
| Supplemental Data: | | |
| Net assets, end of period | \$ 10,921,593,264 | \$ 10,373,725,136 |
| Ratios to average net assets:^{2 3} | | |
| Total expenses | 0.8% | 3.7% |
| Net investment income | 1.0% | 4.8% |

1. Net assets attributable to the Fund calculated on an asset-weighted basis using beginning of period values, adjusted for contributions, including reinvested dividends, redemptions, and distributions. Contributions, redemptions, and distributions are weighted based on the effective date of cash flows.

2. An individual limited partner's total return and ratios to average net assets may differ due to the timing of contributions and redemptions.

3. Average net assets are calculated as the average of the ending quarterly net assets, attributable to the Fund, for the three months ended March 31, 2022 and the year ended December 31, 2021.

7. SUBSEQUENT EVENTS

On April 1, 2022, the Fund obtained \$125,000,000 in Private Placement debt proceeds.

On April 5, 2022, two limited partners contributed \$55,000,000 to the Fund.

On April 21, 2022, the Fund made a distribution in the amount of \$89,200,000 from operating cash flow, of which asset management fees of \$19,758,560 were paid directly to the General Partner by the limited partners. In addition, \$22,610,786 of the distribution was reinvested into the Fund as part of the limited partners' elected DRIP.

On April 21, 2022, the Fund paid \$360,000,000 in redemption requests.

On April 29, 2022, three new limited partners made an initial capital commitment of \$3,875,000 and two existing limited partners increased their capital commitments by \$15,750,000.

The Fund evaluated activity through May 11, 2022 (the date these condensed combined financial statements were available to be issued) and concluded that no additional subsequent events have occurred that would require recognition or additional disclosure.