

HEITMAN

Heitman America Real Estate Trust

Quarterly Report

March 31, 2025



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Note: Heitman America Real Estate Trust (the "Fund" or "HART") 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 The Sawyer Providence Farm, Charlotte, NC. The Sawyer Providence Farm is a current investment of the Fund. Photos used in this report were selected based on visual appearance and are used for illustrative purposes only. There can be no assurance that the Fund will be able to invest in similar properties in the future or that future investments will be profitable or made on similar terms. Please see "Portfolio Summary" for a current list of the Fund's investments. An investment in the Fund is speculative and involves risk, including but not limited to those related to real estate investments.

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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

OBJECTIVE

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

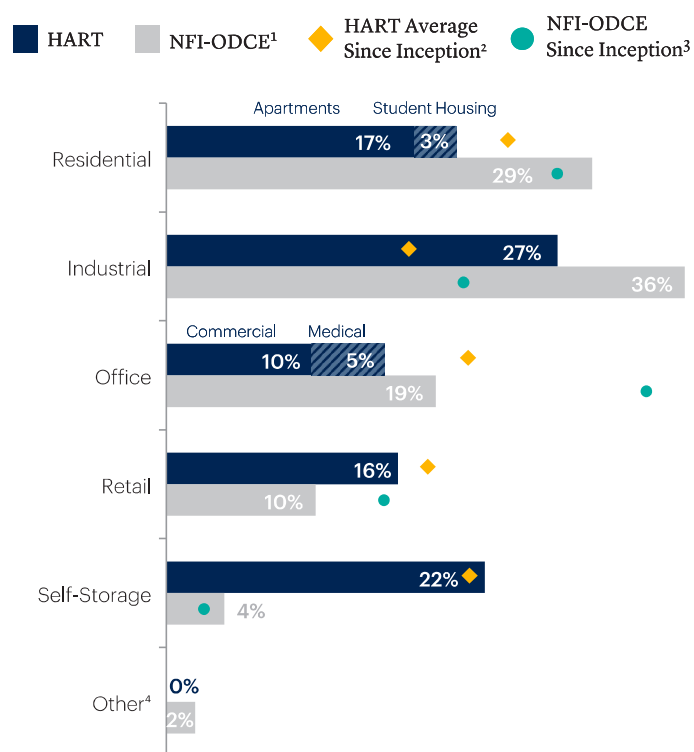
- In infill locations within major metropolitan areas
- With strong site attributes, such as proximity to amenities, employment centers and transportation networks
- That are well-constructed, with features that we believe will appeal to tenants over long periods of time

KEY STATISTICS AS OF MARCH 31, 2025

Gross Asset Value	\$11,294 million	
Net Asset Value	\$8,089 million	
Net Asset Value Per Share	\$1,234	
Cash as % of NAV	4.3%	
Number of Investments	103	
Number of Properties	344	
Leverage Level	26.1%	
Leased Percentage	88%	
Current Quarter Net Acquisitions	\$5.5 million	
Current Quarter Distributions	\$78.3 million	
	GROSS	NET
Current Quarter Dividend Yield	0.96%	0.78%
Trailing One Year Dividend Yield	4.24%	3.47%
Since Inception Dividend Yield	4.54%	3.83%

PROPERTY TYPE DIVERSIFICATION

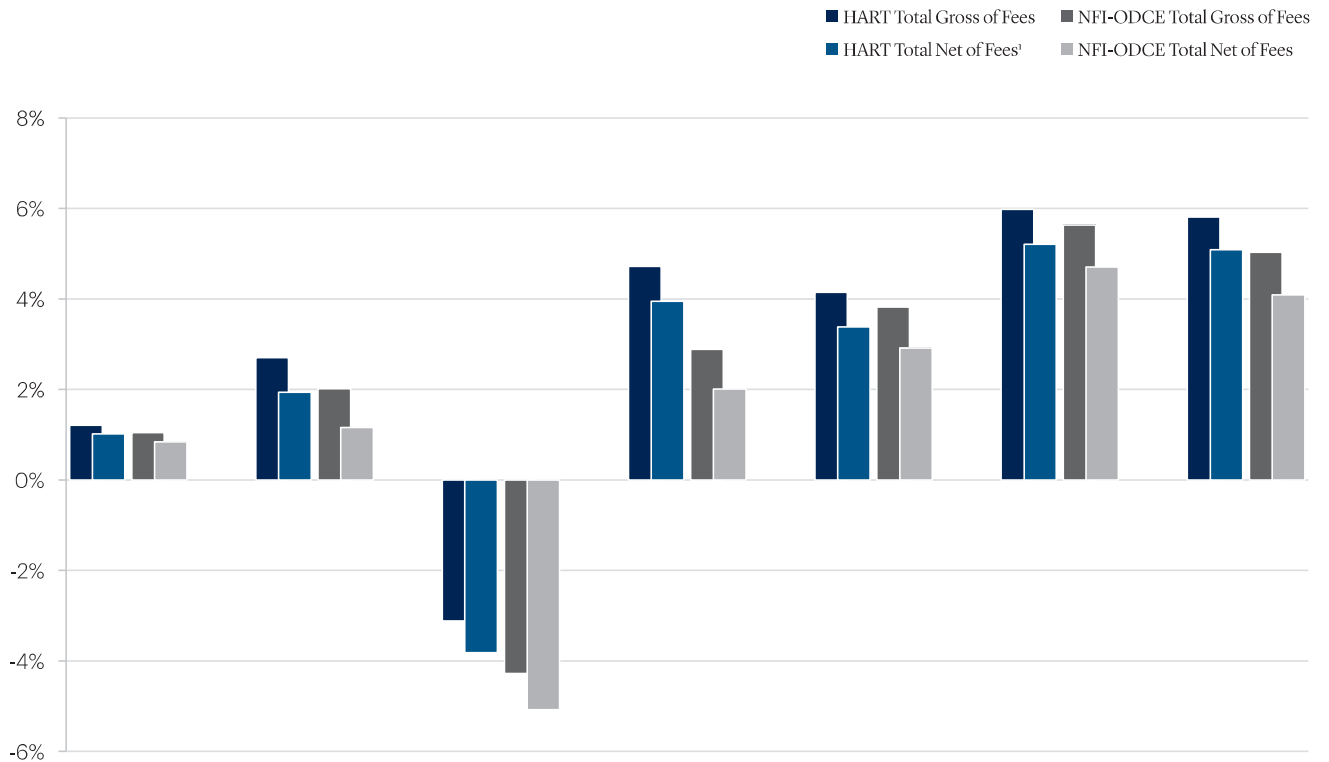
BASED ON GROSS REAL ESTATE VALUE



1. NFI-ODCE = NCREIF Fund Index - Open End Diversified Core Equity.
2. HART Average Since Inception is reflective of the average sector allocation since the Fund's inception in Q2 2007.
3. Average Since Inception is reflective of the average sector allocation since the Fund's first full quarter of operations in Q2 2007 and NFI-ODCE's reporting of sector allocation commencing in Q1 2013.
4. NFI-ODCE Since Inception Other diversifications are not presented due to reallocation between sectors since commencement.

Performance

TIME-WEIGHTED INVESTMENT LEVEL LEVERAGED PERFORMANCE RETURNS



	3 Month (not annualized)		Trailing 12-Month		3 Year		5 Year		7 Year		10 Year		Since Inception April 1, 2007 ²	
	HART	NFI- ODCE	HART	NFI- ODCE	HART	NFI- ODCE	HART	NFI- ODCE	HART	NFI- ODCE	HART	NFI- ODCE	HART	NFI- ODCE
Income	1.18%	1.01%	4.72%	4.16%	4.15%	3.76%	4.18%	3.81%	4.29%	3.91%	4.41%	4.09%	4.95%	4.70%
Appreciation (Depreciation)	0.02%	0.05%	-1.96%	-2.06%	-7.05%	-7.80%	0.51%	-0.89%	-0.14%	-0.09%	1.51%	1.50%	0.82%	0.32%
Total Gross of Fees	1.21%	1.06%	2.70%	2.03%	-3.11%	-4.27%	4.72%	2.89%	4.15%	3.82%	5.98%	5.64%	5.81%	5.03%
Fund vs. NFI-ODCE Gross of Fees	+0.15%		+0.67%		+1.16%		+1.83%		+0.33%		+0.34%		+0.78%	
Total Net of Fees	1.02%	0.85%	1.94%	1.17%	-3.82%	-5.07%	3.95%	2.01%	3.38%	2.92%	5.21%	4.71%	5.09%	4.09%
Fund vs. NFI-ODCE Net of Fees	+0.17%		+0.77%		+1.25%		+1.94%		+0.46%		+0.50%		+1.00%	

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

1. Net of fee performance is reflective of the actual fees received by the Fund. Investors may incur fees that are higher or lower than those presented.
2. The since inception return begins on April 1, 2007, the first full quarter of operations after the limited partners' initial capital contribution.

Letter to Partners

STATE OF THE FUND

As the new US presidential administration rolls out its policy agenda with an initial focus on global trade relationships, markets have been agitated and volatility has increased. While we believe the likely intermediate-term outcome of these policy efforts will be supportive of investment and economic growth, near-term risks have elevated and continued market disruption is likely. We believe that the positioning of Heitman America Real Estate Trust's ("HART," or the "Fund") portfolio will allow it to deliver consistent investment performance results, as it has been designed to do, as we move through this transitory period.

The Fund produced a 1.21% total gross and 1.02% total net return for Q1 2025, including an income return of 1.18% gross and 1.00% net, and appreciation of 0.02%. The trailing 12-month gross and net returns were 2.70% and 1.94%, respectively, comprised of a 4.72% gross and 3.97% net income return, and depreciation of -1.96%. The Fund's total gross and net returns outperformed the NFI-ODCE Benchmark ("ODCE," or the "Index") by 15 basis points ("bps") and 17 bps for the quarter, respectively. The Fund's total gross and net returns outperformed the Index by 67 bps and 77 bps, respectively, for the trailing 12 months. Subsequent to quarter-end, on April 17, 2025, a dividend of \$11.95 per share was paid to investors, resulting in quarterly gross and net dividend yields of 0.96% and 0.78%, respectively, and trailing 12-month gross and net dividend yields of 4.24% and 3.47%, respectively. The Fund's income return continued to outpace the Index and has now evidenced relative outperformance for the 57th consecutive quarter and 16th consecutive year on an annual basis.

As to the valuation of the Fund's portfolio, Q1 2025 saw valuations on an overall basis remain relatively flat. Over the last three quarters, inclusive of the recent quarter, HART's gross valuations have largely stabilized, with some variability across property sectors. This recent stabilization, following a previous period of significant valuation adjustment, supports the view that private real estate

valuations have moved into an appropriate range in comparison to other asset sectors.

The Fund ended the quarter with a leasing level of 94% for its stabilized assets, which was unchanged from the leasing level from Q4 2024. The overall leasing level, including two industrial developments in lease-up, was 88%. Normalized same-property net operating income ("NOI") grew 5.2% for the 12-month period ended March 31, 2025, as compared to the preceding 12-month period. This growth was driven by increased rents in the industrial, office, and retail sectors.

During Q1 2025, the Fund acquired the co-investor's interest in 353 North Clark. This acquisition positions the Fund with greater flexibility in executing the property's go-forward business plan, which includes the renewal of several major tenants, the addition of new tenants, and completion of an amenity upgrade program. Concurrently with the acquisition of the co-investor's interest, the Fund executed a three-year loan extension with the existing lender. Additionally, during the quarter, the Fund paid off the loan on Flatiron Crossing, and subsequent to quarter-end, the Fund refinanced the loan on OneEleven.

During the quarter, the Fund finalized new investor commitments totaling \$7.9 million from three new investors and one existing investor. Subsequent to quarter-end, the Fund finalized new investor commitments totaling \$20.3 million. Additionally, subsequent to quarter-end, \$60.1 million of investor capital was called into the Fund, leaving total outstanding investor commitments at \$40.5 million. During Q1 2025, three redemption requests were received for a total of \$130.2 million which were partially offset by two rescissions totaling \$78.0 million and subsequent to quarter-end, one redemption request was received for \$11.2 million. The Fund has made \$400.0 million in redemption payments during calendar 2025, inclusive of a \$175.0 million payment made subsequent to quarter-end, which reduced the redemption queue to \$1.04 billion.

HART's gross valuations have largely stabilized, with private real estate valuations reaching an appropriate range

Letter to Partners

LOOKING FORWARD

We anticipate that the broader economy will continue to provide a volatile backdrop as we move through the next several months. While we believe that the current administration's policies are ultimately focused on economic growth for the US, it is reasonable to expect that we will see disruption in markets over the short term, and increased indecision and uncertainty as we move through this transient phase. HART's well-leased, high-quality, broadly diversified array of assets, inclusive of a healthy allocation to alternative property sectors, should be expected to withstand a period of market turbulence.

The fundamentals for HART's portfolio remain generally healthy as we move into this period of fluctuating macroeconomic conditions. However, we continue to monitor asset performance and market data on the lookout for signals from the portfolio that will allow us to effectively navigate current market conditions. Overall, despite concerns presented by a volatile environment, the portfolio is expected to continue to deliver a consistent income return that will continue to drive a superior operating dividend yield for calendar year 2025.

HART's residential portfolio saw healthy relative rent growth over Q1 2025, and new supply additions in our markets are diminishing. While the industrial sector is slowing from recent momentum, the mark-to-market rental opportunity for the portfolio remains attractive. Leasing activity in the Fund's commercial office portfolio is encouraging and demonstrating that quality assets will continue to attract quality tenancy. We are watching the retail assets for signs of shifts in consumer sentiment, but thus far retailer leasing activity remains reasonably strong. We maintain a constructive view on the intermediate outlook for self-storage, buoyed by the resilience exhibited by the sector through the recent stalled housing market period.

We continue to focus on executing this strategic plan, and have had success in recent quarters in achieving the goal of restoring the Fund's capital capacity balance. We have utilized capital capacity that has been generated by our tactical executions to make payments to redeeming investors, to manage the Fund's debt financing objectives, and to initiate new investment activity intended to seed the portfolio with assets expected to drive continued quality investment performance. While we continue in our efforts to execute the strategic plan as a roadmap for generating capital capacity to fuel the Fund's investment objectives, we will also utilize the Fund's attractive profile to attract additional sources of investment capital.

In our opinion, the Fund is uniquely positioned relative to the peer group, and this should allow for the gathering of additional capital resources. The investment performance results for the Fund are in the first quartile for the three- and five-year periods, including a consistent income return outperformance profile. The Fund presents a unique portfolio structure inclusive of a healthy allocation to alternative property sectors. The portfolio is managed with the benefit of collaboration with a talented research team, that will continue to be a valuable resource as we move through the current period of uncertainty. And, the Fund's portfolio management team is stable, talented, experienced, and time-tested through multiple periods of economic challenge, and periods of economic prosperity, as well. Finally, HART is guided by a cogent strategic plan with a long-term objective of consistent investment performance.

We hope that you will be able to join us for Heitman's Annual Investor Meetings which will be held in Chicago on June 4 and 5, 2025. The format allows us to provide a thorough overview of operations and our perspective on the strategic direction for the Fund going forward. HART's Annual Meeting is scheduled for the afternoon of June 4, 2025.

Thank you for your continued support.

The portfolio is expected to deliver a consistent income return that will drive a persistently superior operating dividend yield



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US Economic Outlook

The US economy maintained overall strength through the first quarter of 2025, as the job market evidenced resilience despite a negative Gross Domestic Product (“GDP”) reading for the quarter. The uncertain outlook was further complicated by the Trump administration’s vacillation on tariff announcements, and statements calling into question the Federal Reserve’s (“the Fed”) independence. The lack of clarity over where trade policy lands has rattled financial markets, and raised the level of uncertainty for businesses, investors, and households. Recent developments have forecasters re-calibrating their models with expectations for slower growth in the near term. However, despite the rocky path for markets recently, and the associated policy rhetoric, we believe that it is too early to draw conclusions about trade policy’s impact on the real economy. We also maintain that real estate is well positioned against other asset classes in the current landscape.

As discussed, uncertainty around trade, Fed independence, and their impact on the economic outlook are being manifested in subdued sentiment, financial market volatility, and downgrades to economists’ growth forecasts. Recent weeks have seen a sharp stock market selloff following President Trump’s “Liberation Day” tariff announcements.¹ Subsequent postponement of the new levies and hopes around trade negotiation progress fueled a rebound in equity markets, but uncertainty, as measured by the CBOE Volatility Index, remains elevated.² Risks to personal consumption, which has fueled GDP growth for several quarters, are mounting as measures of consumer confidence have seen consistent declines. The University of Michigan’s Consumer Sentiment Index plunged 8% from March to April 2025, marking four consecutive months of declines.³ The National Federation of Independent Business’ Small Business Optimism Index continues to give up ground gained after the 2024 presidential election,⁴ and corporate executives are expressing uncertainty around guidance in Q1 earnings calls.⁵ In response to these developments, some institutions, such as Oxford Economics⁶ and Moody’s Analytics,⁷ have downgraded their GDP and job growth forecasts for 2025.

Despite rising uncertainty, diminished sentiment, and reduced forecasts, various indicators point to sustained resilience in the real economy. Most labor market indicators are screening as relatively healthy. The March 2025 gain of 228,000 in nonfarm payrolls was well above consensus. The Q1 2025 jobs tally, inclusive of prior month revisions, sits at 456,000, only slightly lower than Q1 2024.⁸ Initial jobless claims rose slightly in the most recent reading but remain rangebound and consistent with a low level of private sector layoffs.⁹ Continued claims, however, held steady at an elevated level due to a slower pace of hiring. An Oxford Economics dashboard of 18 high-frequency indicators, including job postings, restaurant diners, hotel occupancy, and bankruptcy filings, shows few warning signs. Exceptions include weakening air travel and rising unemployment insurance claims for federal workers.¹⁰

We believe it is premature to assess the impact tariffs may have on the real economy. Several factors require more clarity, including the duration and outcome of the negotiations that are expected to occur between global trading partners, and how consumers and businesses will respond to tariffs in the interim. In our view, the longer the period over which new tariffs remain in place, the greater the risk of diminished growth in 2025. Conversely, we believe that if the US administration can swiftly negotiate acceptable modifications to existing trade agreements while retaliatory tariffs remain limited, the impact on economic growth may be more contained. Greater clarity on tax policy and ongoing deregulation would also lend support to more optimistic growth expectations.¹¹ Further, commercial real estate enters this period on solid footing. Industrial and retail would likely be the most impacted property sectors in a downside trade scenario. However, the potentially chilling effect of tariffs on new construction presents a countervailing force to boost fundamentals. We continue to monitor the situation closely and maintain a positive long-term outlook for the US economy, though the risk of short-term disruptive conditions has elevated.

Indicators point to sustained resilience in the real economy despite rising uncertainty, diminished sentiment, and reduced forecasts

1. Wall Street Journal, How Much Have Stocks Rebounded? Are We Still In a Bear Market? (April 25, 2025)
2. Barrons, Wall Street Fear Index Rises as Hopes for a U.S.-China Trade Deal Dwindle (April 24, 2025)
3. University of Michigan, Surveys of Consumers (April 25, 2025)
4. Oxford Economics, US: There’s nothing refreshing about this pause (April 14, 2025)
5. Wall Street Journal, Corporate Giants Shred Outlooks Over Tariff Uncertainty (April 24, 2025)
6. Oxford Economics, US: Recession risks rise as economy beset by multiple shocks (April 16, 2025)
7. Moody’s, US Outlook: Trade War Scenarios (April 21, 2025)
8. Moody’s, US Road to Recession (April 15, 2025)
9. Oxford Economics, US: Initial jobless claims still stuck in a groove for now (April 24, 2025)
10. Oxford Economics, US: Filtering out the economic signal from the sentiment noise (April 22, 2025)
11. Piper Sandler, Tariff Reset: Dropping Downturn Call; Lowering Inflation Forecast (April 10, 2025)



Fundamentals & Operations

Foundry Square IV – San Francisco, CA

Residential

The apartment sector displayed continued resilience through the first quarter of 2025. Slowing, though still solid, trends in job and wage growth, along with the wealth effect of stock market performance in recent years, continue to drive housing demand. The persistent affordability challenges in the for-sale housing market also contribute to durable apartment performance. Absorption of 138,300 units in Q1 2025 represented a first quarter record dating back to 2000. This follows a record fourth quarter, which tallied 229,200 units absorbed.¹² CoStar expects that overall vacancy (which includes properties in lease-up) peaked at 8.1% in Q4 2024, and that it will see a slight decline through 2025 as quarterly deliveries drop toward the pre-COVID-19 pandemic (the “pandemic”) trend.¹³ Solid absorption and compressing vacancy are leading to the beginnings of a rent growth rebound. Year-over-year effective rent growth, according to RealPage, increased to 1.1% in March. This marks the first time above 1% since mid-2023.¹⁴



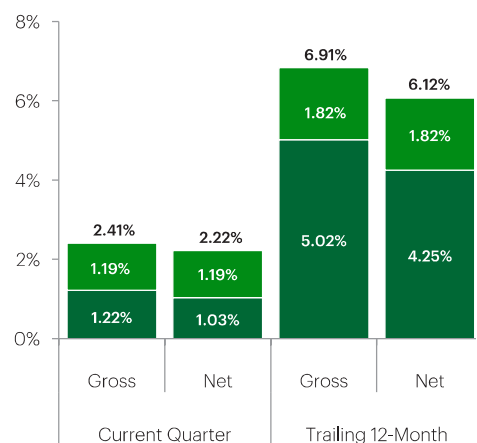
Biltmore at Camelback – Phoenix, AZ

The rest of 2025 should bring continued momentum to the US apartment sector. The higher rate environment, elevated materials costs, and greater difficulty in capitalizing new developments led to a precipitous drop in multi-family starts in 2025.¹⁵ The number of units under construction has plunged 47% from its peak of 1.1 million in Q1 2023 to 585,000 last quarter. But the effects of lingering elevated deliveries bear monitoring. The 431,000 units projected to be completed this year is more than twice the long-term annual average between 2000 and 2019. Occupancy and rents will likely remain pressured in supply hot spots like Phoenix, Austin, and the Carolinas.¹⁶ Beyond the known challenges of supply in select markets, uncertainty around the policy implications of the new Trump administration is rising. We will be tracking trends in consumer confidence and rising inflation expectations for any impact those might have on the apartment sector’s nascent recovery.¹⁷

The residential portfolio’s same-property NOI increased by 0.3% over the preceding 12-month period. Revenue increased by 1.5% and expenses increased by 3.5%, led by administrative and marketing expenses. The portfolio’s leased percentage of 97% is 1% higher than Q4 2024. Blended trade-outs for Q1 2024 were 2.4%, driven by 5.1% for renewal leases and -0.8% on new leases. The residential portfolio blended trade-out of 2.4% is 80 bps higher than the overall US in Q1 2025. The portfolio retained 54% of its tenants during the quarter, which was slightly below the nation at 55%. Overall, in-place rents grew by 50 bps quarter-over-quarter. Based on the construction pipeline for 2025, the portfolio is projected to see a roughly 3% growth in stock, which is significantly below the 2024 actual figure of 7.0%. Markets expected to see more than 5% growth in 2025 include Seattle, Phoenix, Santa Monica, and Austin.

Solid absorption and compressing vacancy are leading to the beginnings of a rent growth rebound

RESIDENTIAL TIME-WEIGHTED RETURNS*



■ Appreciation
■ Income

* Time-weighted returns shown include all of the HART portfolio’s residential sector. The full portfolio’s time-weighted returns can be found on page 3.

Past performance is not necessarily indicative of future results. There can be no assurance that the Fund will be able to acquire similar properties in the future or that future acquisitions will be on similar terms, or the Fund will achieve comparable results, be able to effectively implement its investment strategy, achieve its investment or asset allocation objectives or avoid substantial losses.

12. RealPage database, accessed April 2025.

13. CoStar Multi-Family National Report, United States, accessed April 2025

14. RealPage database, accessed April 2025.

15. Yardi Matrix database, accessed April 2025

16. RealPage database, accessed April 2025.

17. RealPage, How Inflation Reshapes Apartment Demand (April 11, 2025)



LogistiCenter Exit 8A – Northern NJ

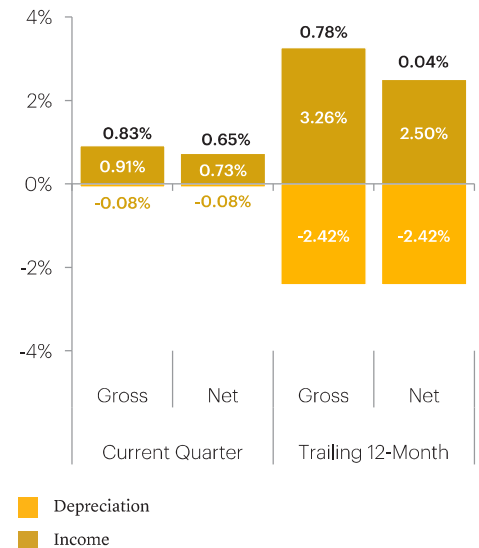
The US industrial market saw mostly positive performance in Q1 2025. Net absorption rose to 61.3 million square feet (“msf”), the strongest of the past seven quarters, up from 48.1 msf in Q4 2024 and a low of 28.1 msf in Q1 2024. As predicted, new supply fell relative to prior quarters. With 85.3 msf of deliveries, additions to the nation’s industrial inventory were their lowest in six years. The amount of space under construction fell again, to 340 msf amid a 10-quarter drop from the 842 msf peak. As supply again outpaced demand in Q1 2025, the nation’s vacancy rate climbed nine bps to 7.0%. Availability also rose 27 bps in Q1 2025, growing from 9.3% to 9.6% over the course of Q1 2025. Sublease availability contributed four bps to this increase. While Q1 2025 stats were generally a step in the right direction, the growth in availability calls into question the timeline of return to decreasing vacancy rates, previously forecast for 2025.¹⁸ Now, the second derivative of demand is likely negative, and competitive options for tenants are increasing despite supply dwindling to multi-year lows.¹⁹

The US industrial sector outlook is hazy given dramatic swings in US public policy through the start of Q2 2025. Amid quickly changing tariff rates, market participants expect demand to slow but are unable to decipher the magnitude of the downdraft.²⁰ Demand from certain tenant segments, notably Asia-based third-party logistics, has already dried up per CBRE.²¹ Looking at real estate investment trusts (“REITs”), coastal industrial REITs (which are more exposed to international trade) have underperformed the broader industrial REITs index, offering some insight into potential geographical ramifications.²² In the near term, we believe that large commitments, whether due to high rents or large format types (e.g. 1.0+ msf buildings) will be challenged as supply chains are in flux. To the positive, we expect supply and starts to continue their fall as speculative construction costs grow due to the volatile tariffs policy outlook.

The industrial portfolio’s same-property NOI increased by 12.7% over the preceding 12-month period, primarily due to accretive lease trade-outs. While the industrial sector is exhibiting softening fundamentals, the portfolio’s NOI and free cash flow growth should continue to increase given significant near-term mark-to-market rent opportunities. The portfolio’s leasing percentage held steady at 99% in Q1 2025 for stabilized properties, consistent with Q4 2024 levels. During the quarter, the Fund executed three lease renewals and two new leases, notably, the renewal with Chefs Warehouse (127,000 square feet [“sf”]) within the Chicago Industrial Portfolio, for a five-year term. The renewal included a 36% increase over its expiring rent. Additionally, four leases totaling 42,000 sf were executed for assets in multi-tenant industrial parks in Southern California and Seattle, achieving a weighted average leasing spread of 5%.

Supply and starts should continue to fall as speculative construction costs grow due to the volatile tariffs policy

INDUSTRIAL TIME-WEIGHTED RETURNS*



* Time-weighted returns shown include all of the HART portfolio’s industrial sector. The full portfolio’s time-weighted returns can be found on page 3.

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18. PERE, “Prologis sets quarterly leasing record in post-election “boom”, published January 22, 2025

19. All uncited claims and data prior to this come from the “Industrial Q1 2025” file which is derived from Heitman Research’s analysis of CoStar data (aggregated data industrial real estate, 10,000 sf and greater, across 52 US geographies, compiled on April 3, 2025)

20. Green Street Advisors, “Holding the Guidance Line in a Trade War”, published April 16, 2025

21. CBRE, “National Partners Weekly Update April 21”, published April 21, 2025

22. Bloomberg, accessed April 21, 2025

While the US office market remains among the most challenged commercial real estate markets globally, Q1 2025 was the sector's best quarter since the pandemic. Most office markets saw positive demand in Q1 2025, which at 57% was the highest Q1 reading since 2018. Net absorption of 6.2 msf was the peak quarterly reading since Q4 2019. While gross deliveries of 6.7 msf still topped net absorption, net deliveries of just 3.6 msf (implying 3.1 msf of inventory removals) allowed the vacancy rate to fall for the first time since mid-2019, to 19.7%. The nation's availability rate has now decreased for three straight quarters, standing at 22.6% as of Q1 2025. Sublease availability is now down quarter-over-quarter for seven consecutive quarters. Construction underway is at 2012 levels.²³ In short, the US office market is past its bottom and seemingly on the road to sustained improvement.

Progress in office fundamentals, if sustained, will pave the way for broader market recovery including for capital markets. However, there are uncertainties. Federal government hubs, most notably Washington DC, are facing headwinds as 653 leases totaling nearly 7.6 msf across the country have been terminated through April 15, per JLL.²⁴ The trade war threatens to spill over into demand for white collar services exports, for example demand for services from US-based international banks, which would diminish demand in financial centers.²⁵ Beyond public policy, and more impactful in the long term, could be the effect of AI. According to Bloomberg Intelligence, AI could replace 200,000 roles at global banks in the next three to five years.²⁶ Hence, while we are heartened by the office market's nascent recovery, we believe the data will need to show consistent positivity for several quarters before investors jump back into the market with both feet, given the threats the sector is currently facing amid its weak cyclical starting point.

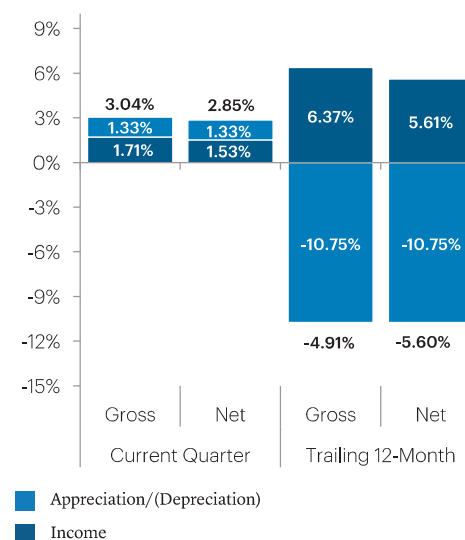
The office portfolio is observing increased leasing activity, finishing Q1 2025 in lease negotiations with three prospective tenants totaling 67,000 sf. This includes a prospective tenant for the two full floors (56,970 sf) vacated by Ventas at 353 North Clark, with lease execution anticipated during the second quarter. This vacancy was the primary driver of the 3% decrease in the portfolio's leasing level from the prior quarter, bringing the overall leasing level to 84%. Partially offsetting this decrease was the expansion of Radix Trading at 353 North Clark, which leased an additional floor (27,685 sf). Despite this leasing fluctuation, the office portfolio's same-property normalized NOI increased by a significant 8.5% over the preceding 12-month period, primarily due to the burn-off of Salesforce's rental abatement at Foundry Square IV, the commencement of Apple's rent at Campus at Playa Vista, and additional lease-up at First Hill Medical Pavilion.



28 State Street – Boston, MA

The US office market is past its bottom and seemingly on the road to sustained improvement

OFFICE TIME-WEIGHTED RETURNS*



* Time-weighted returns shown include all of the HART portfolio's office sector. The full portfolio's time-weighted returns can be found on page 3.

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23. All unced claims and data prior to this come from the "Office Q1 2025" file which is derived from Heitman Research's analysis of CoStar data (aggregated data for office real estate, 20,000 sf and greater, not owner-occupied and unknown owner type, across 30 sampled US geographies, compiled on April 3, 2025).

24. JLL, "DOGE Federal Lease Termination Tracker", accessed April 24, 2025

25. Wall Street Journal, "How Long Will Big U.S. Banks Continue to Lead the World?", published April 21, 2025

26. Yahoo Finance, "Wall Street Job Losses May Top 200,000 as AI Replaces Roles", published January 9, 2025



Shops at Wailea – Wailea, HI

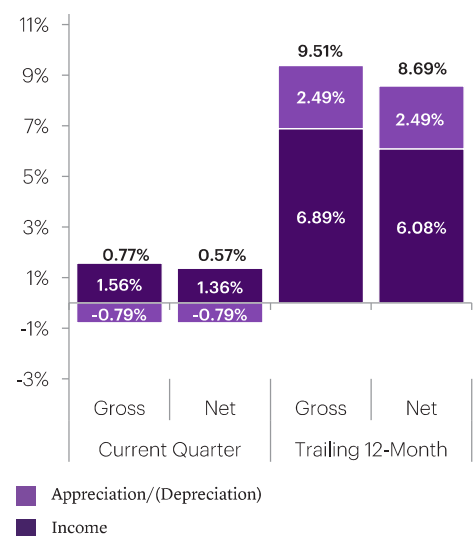
US shopping center fundamentals, apart from low-quality enclosed malls, remain healthy, but macroeconomic headwinds to the industry have manifested in weaker demand. A flurry of retailer bankruptcies at the end of 2024 and early 2025 resulted in negative net absorption for the trailing four-quarter period ended Q1 2025. The Q1 2025 absorption reading represented an acceleration of the four-year trend of moderating net absorption in-line with declining levels of development. As of Q1 2025, trailing four-quarter net absorption represented -0.1% of existing inventory, versus 0.2% of existing inventory that was delivered during the same period. This led to an uptick in the overall vacancy rate to 5.7% in Q1 2025, up 20 bps from the previous quarter and up 30 bps from a year ago.²⁷ The return of space has sparked some concern, as distressed retailers plagued the industry's not too distant past. However, these events have been well-received by owners of retail assets as they have provided opportunity to capture the rental momentum in a tight space market.

The industry is expected to see net store openings in 2025.²⁸ However, the magnitude of store growth has been clouded by the Trump administration's tariff policy. This uncertainty is expected to impact retailers' margins and put additional pressure on consumers. Store growth to date has been supported by resilient consumer spending, as nominal shopping center relevant sales have trended in-line with the historical average over the past 12 months and real sales growth has averaged marginally positive over the same period. Data for Q1 2025 does not yet indicate a pullback of spending,²⁹ but rather suggests that consumers are stockpiling goods in anticipation of higher prices. Based on recent downward revisions to consumer spending forecasts,³⁰ we believe that consumer spending will moderate particularly through the back half of the year, but annualized growth will remain positive.

The Fund's retail portfolio is 91% leased as of Q1 2025, which includes one department store vacancy (93% excluding this space) and is unchanged from the prior quarter. The portfolio's same-property NOI increased by 5.5% over the preceding 12-month period, driven by revenue growth of 4.6% and expense growth of 3.1%. The revenue growth is largely attributable to base rent increases from new leasing and contractual rent steps, notably at Broadway Plaza, Shops at Wailea, and Pinnacle at Turkey Creek. The increase in expenses was driven by elevated repair and maintenance costs and utility expenses, however, the portfolio experienced less pressure on real estate taxes and insurance expenses during the period. During Q1 2025, a lease was executed at Flatiron Crossing with Pindustry, a 34,000 sf two-level entertainment concept that will generate \$940,000 in annual rent. We expect this anchor tenant to stimulate further leasing for the retail component of the asset and serve as an amenity for the planned multi-family project. Additionally, a ground lease was executed during the quarter at Pacific Commons with Raising Canes, who will construct a drive-through restaurant concept on a three-acre parcel generating \$475,000 in annual ground rent. We expect the addition of Raising Canes to draw significant traffic counts to the property in addition to the incremental revenue.

Consumer spending should moderate through the back half of the year, but annualized growth should remain positive

RETAIL TIME-WEIGHTED RETURNS*



* Time-weighted returns shown include all of the HART portfolio's retail sector. The full portfolio's time-weighted returns can be found on page 3.

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27. All claims and data prior to this come from the "Retail Q4 2024" file which is derived from Heitman Research's analysis of CoStar data (aggregated data of existing, under construction, and under renovation shopping centers of various formats for 75 US geographies, compiled on January 10, 24. Formats include community center, lifestyle center, neighborhood center, power center, strip center, and regional mall).

28. Telsey Advisory Group, "TAG Insights: Store Opening & Closing Analysis," (April 15, 2025).

29. US Census Bureau (accessed on April 21, 2025). Advance Monthly Sales for Retail and Food Services.

30. Oxford Economics, "US: How to avoid looking at the economy in the rear-view mirror," (April 18, 2025).

Self-Storage



Extra Space Storage – Various US

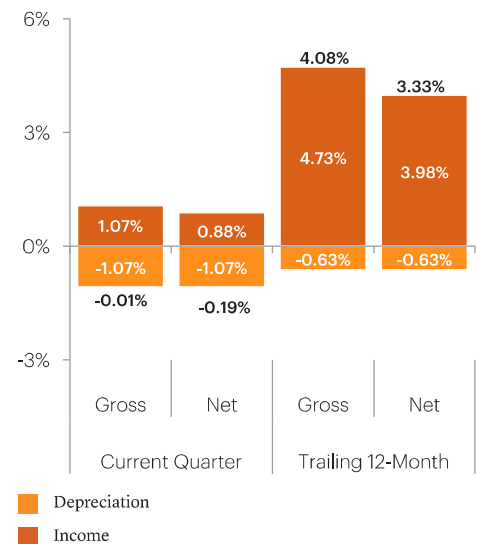
The self-storage sector remains challenged by static demand. However, as the 2025 spring leasing season approaches, fundamentals appear to have stabilized. Offered rent growth across Heitman’s portfolio was positive year-over-year for the second consecutive month in March 2025. Positive asking rents are a function of more favorable comparisons to asking rents a year ago, rather than an uptick in demand. As of March 2025, net move-in activity for Heitman’s 343 same-property portfolio finished slightly behind historical averages and the prior year’s level. Move-outs held steady and portfolio occupancy ended March at 88.3%, down 35 bps from last year and flat from the previous month. While the return of market rent growth to positive territory may be an indication that fundamentals are stabilizing, these rates continue to trend 25% below in-place rates, making new leasing activity dilutive to the rent roll. Markets seeing the most pressure on asking rents are primarily those Sunbelt markets that experienced heavy levels of supply over the past several years. In-place rent gains are being observed in markets that have worked through elevated levels of development as well as some Midwestern markets where supply and demand has historically been more balanced.³¹

Transaction activity in Q1 2025 totaled \$1.6 billion, slightly above the average Q1 volume from 2015 through 2019 of \$1.2 billion. Additionally, the first quarter’s total volume was in-line with the trailing four-quarter average. Q1 2025 volume was comprised primarily of individual property sales, as portfolio volume fell nearly 60% from a year ago. Average price per sf for the quarter was \$189, up 50% from a year ago.³²

The self-storage sector continues to face macroeconomic headwinds that are moderating performance. Quarter-end leasing levels were 88%, down approximately 30 bps compared to Q1 2024. The self-storage portfolio’s same-property NOI increased by 1.0% over the preceding 12-month period. The inclusion of the Extra Space III Portfolio into the same-property pool increased NOI growth by 70 bps as those assets continue to work towards stabilization. Despite a challenging operating environment, portfolio revenue growth remains positive. Increased competition for customers has resulted in softened market rents and negative lease trade-outs. However, existing customer rent increases and extended customer tenure helped to support in-place rent levels, resulting in moderating revenue growth of 1.0% (0.5% excluding Extra Space III Portfolio). Inflationary pressures are also impacting portfolio expenses, notably, higher insurance premiums which have increased 16% over the prior year, although this is being offset by a prior year casualty deductible payment. Fortunately, favorable real estate tax outcomes in the past year helped mitigate the total expense increase to 0.9%. We anticipate portfolio performance will continue to be impacted by challenges in the housing market and lower migration in the near term.

While self-storage market rent growth is in positive territory, it continues to trend 25% below in-place rates

SELF-STORAGE TIME-WEIGHTED RETURNS*

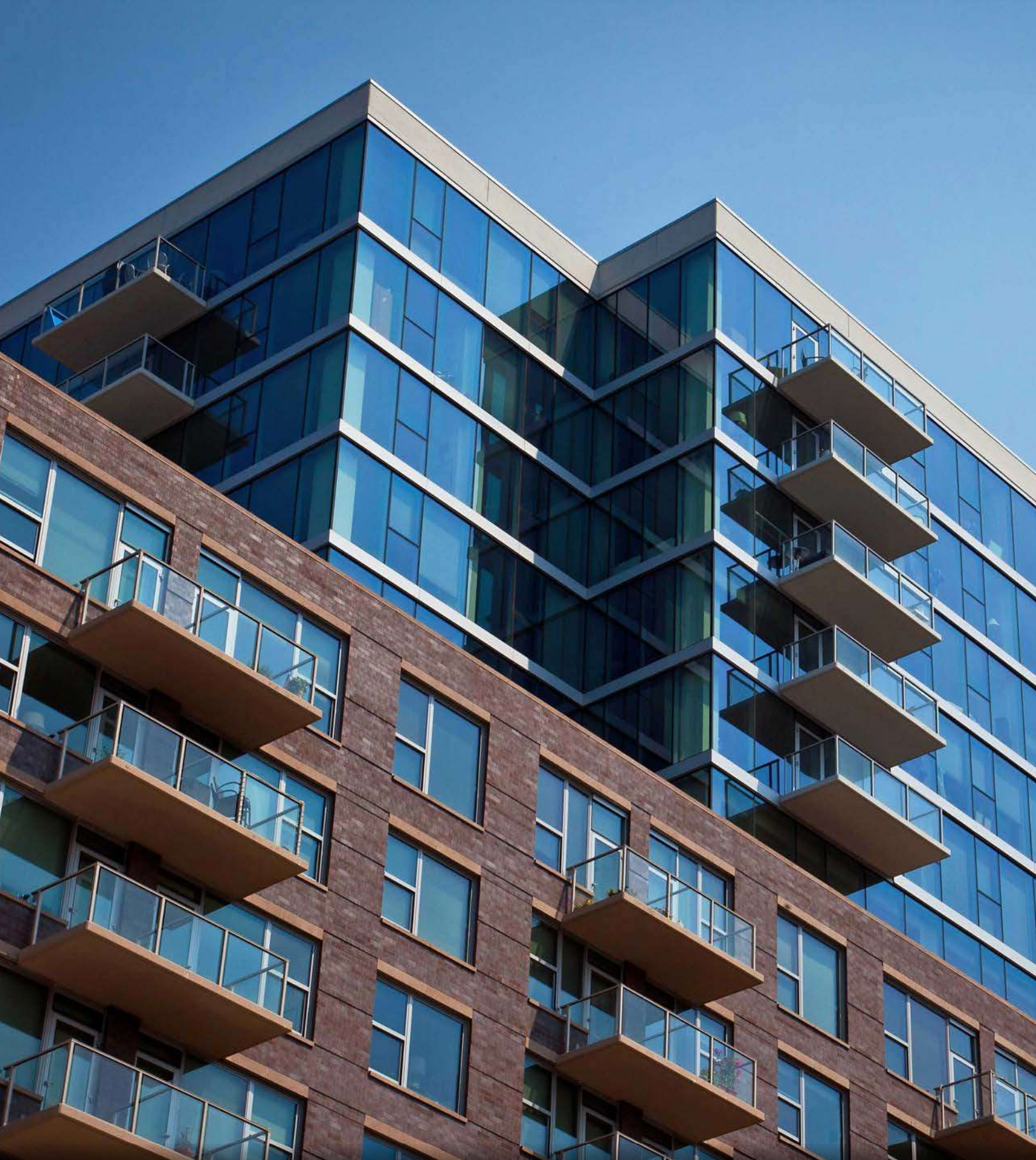


* Time-weighted returns shown include all of the HART portfolio’s self-storage sector. The full portfolio’s time-weighted returns can be found on page 3.

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31. Self-storage fundamentals data cited above is sourced from Heitman’s same-store pool of 343 stabilized properties, spread throughout the US with various joint venture partners. Stabilized stores include any store that has reached and maintained 85%+ occupancy for 18 months, excluding any stores with major expansions or natural disasters. Forward-looking statements are based on Heitman’s budgets for 2025.

32. MSCI: Real Capital Analytics, Accessed January 28, 2025



Portfolio Summary

1225 Old Town - Chicago, IL

Portfolio Summary

(\$ IN THOUSANDS)

Investment Name	Year Acquired	Location	Effective Fund Ownership Percentage ¹	No. of Assets	Total Owned Square Feet/ Units ²	Leasing Level ³	Fund Capitalization ⁴			
							Gross Value	Property Level Third Party Debt ⁴	Net Value	Cash Invested ⁵
Residential										
Anara Santa Monica	2012	Santa Monica, CA	100.0%	1	350 units	97%	\$ 183,900	\$ 82,793	\$ 101,107	\$ 101,831
1225 Old Town	2013	Chicago, IL	100.0%	1	250 units	99%	149,000	-	149,000	167,423
Folio	2014	Austin, TX	100.0%	1	606 units	95%	128,700	51,203	77,497	44,319
Biltmore at Camelback	2014	Phoenix, AZ	100.0%	1	270 units	97%	94,500	-	94,500	78,954
OneEleven	2015	Chicago, IL	75.0%	1	504 units	98%	221,129	98,481	122,648	168,479
Premiere on Pine	2015	Seattle, WA	100.0%	1	386 units	97%	215,600	-	215,600	249,742
The Porter Del Ray	2017	Alexandria, VA	100.0%	1	276 units	97%	131,300	53,149	78,151	47,856
Cambridge Park	2017	Cambridge, MA	100.0%	1	312 units	97%	192,800	-	192,800	184,054
Avalia Boca Raton	2018	Boca Raton, FL	100.0%	1	297 units	96%	174,800	-	174,800	129,310
Square on Fifth	2018	Atlanta, GA	100.0%	1	230 units	97%	158,000	75,071	82,929	68,657
Radius at 15th	2018	Minneapolis, MN	100.0%	1	200 units	100%	72,700	-	72,700	77,986
The Sawyer Providence Farm	2018	Charlotte, NC	100.0%	1	404 units	98%	147,100	-	147,100	99,753
Halo 46	2018	Tampa, FL	100.0%	1	158 units	98%	77,000	-	77,000	53,199
The Ashborough	2021	Ashburn, VA	100.0%	1	504 units	97%	211,400	-	211,400	164,539
15 Bank Preferred Interest	2024	White Plains, NY	100.0%	1	N/A	N/A	30,000	-	30,000	30,090
Total - Residential				15	4,747 units	97%	2,187,929	360,697	1,827,232	1,666,192
Industrial										
Chicago Industrial Portfolio	Various	Various IL	100.0%	11	4,365,768	99%	479,100	96,099	383,001	219,956
West Coast Industrial Portfolio - CA	2013	Various CA	51.0%	14	3,860,422	98%	668,151	90,641	577,510	139,830
West Coast Industrial Portfolio - WA	2013	Various WA	51.0%	3	1,422,353	97%	69,615	21,652	47,963	7,828
New Jersey Industrial Portfolio	2015	Various NJ	100.0%	3	1,531,596	100%	379,000	-	379,000	100,118
Westgate Building	2016	San Bernardino, CA	100.0%	1	414,020	100%	108,900	-	108,900	36,030
Dallas Industrial Portfolio	2016 & 2019	Various TX	100.0%	10	2,911,083	100%	344,500	86,004	258,496	156,141
Perris Circle	2017	Perris, CA	100.0%	1	474,235	100%	121,400	-	121,400	52,275
Rickenbacker	2019	Columbus, OH	100.0%	1	972,160	100%	84,600	-	84,600	67,094
Gillem 900	2020	Forest Park, GA	100.0%	1	1,043,418	100%	115,300	-	115,300	86,092
Agua Mansa	2021	Colton, CA	100.0%	3	813,513	91%	224,300	-	224,300	125,082
Logistics Center Phoenix	2021	Glendale, AZ	100.0%	1	915,160	100%	101,600	-	101,600	72,828
Stockton Industrial ⁶	2021	Stockton, CA	95.1%	3	1,090,160	0%	130,901	-	130,901	102,581
Commercial Point Portfolio ⁶	2022	Columbus, OH	100.0%	4	1,198,695	0%	114,200	-	114,200	121,201
Total - Industrial				56	21,012,583	87%	2,941,567	294,396	2,647,171	1,287,056
Total - Industrial Excluding Recently Completed Development					18,723,728	99%				
Office										
Foundry Square IV	2012	San Francisco, CA	100.0%	1	239,798	98%	190,200	-	190,200	208,195
353 North Clark	2014	Chicago, IL	100.0%	1	1,184,258	75%	414,700	270,000	144,700	525,549
First Hill Medical Pavilion	2016	Seattle, WA	100.0%	1	230,304	85%	170,300	-	170,300	200,663
Healthcare Portfolio	2018	Various US	100.0%	10	962,626	95%	395,200	-	395,200	443,952
28 State Street	2018	Boston, MA	100.0%	1	573,584	84%	263,500	175,538	87,962	283,740
Campus at Playa Vista	2018	Los Angeles, CA	100.0%	1	338,996	78%	181,400	-	181,400	354,755
Total - Office				15	3,529,566	84%	1,615,300	445,538	1,169,762	2,016,854
Retail										
Chandler Fashion Center	2009	Chandler, AZ	39.7%	1	633,470	91%	184,607	110,361	74,246	44,647
Pinnacle at Turkey Creek	2011	Knoxville, TN	100.0%	1	657,776	97%	164,000	-	164,000	165,982
Pacific Commons	2013 & 2014	Fremont, CA	100.0%	1	995,226	91%	248,700	139,331	109,369	155,617
Shops at Wailea	2015	Wailea, HI	100.0%	1	181,162	96%	317,500	132,346	185,154	235,764
Deptford Mall	2016	Deptford, NJ	49.0%	1	506,400	97%	122,892	67,901	54,991	198,894
Twenty Ninth Street	2016	Boulder, CO	49.0%	1	691,364	95%	117,208	72,639	44,569	114,227
Flatiron Crossing ⁶	2016	Broomfield, CO	49.0%	1	1,039,066	75%	180,467	-	180,467	386,160
Broadway Plaza	2018	Walnut Creek, CA	50.0%	1	711,487	97%	366,050	201,279	164,771	238,444
Total - Retail				8	5,415,951	91%	1,701,424	723,857	977,567	1,539,735
Total - Retail Excluding Vacant Anchor					5,250,951	93%				
Self-Storage										
Extra Space I Portfolio	Various	Various US	51.0%	37	24,055 units	94%	456,195	67,376	388,819	230,664
Extra Space II Portfolio	2011 & 2012	NJ, PA, & TX	51.0%	22	15,321 units	93%	244,137	53,029	191,108	35,442
Storage Post I Portfolio	2012 & 2013	NJ & NY	96.6%	14	18,152 units	90%	483,869	144,734	339,135	167,372
Metro Portfolio	2013 & 2014	Various US	68.5%	14	8,006 units	83%	131,589	41,923	89,666	23,968
CubeSmart I Portfolio	2013	NC & TX	50.0%	28	13,773 units	87%	190,500	50,518	139,982	85,602
Storage Post II Portfolio	2015	Various NY	95.9%	2	3,807 units	90%	131,818	47,879	83,939	78,608
CubeSmart II Portfolio	2016	Various US	71.7%	13	5,894 units	89%	129,423	32,840	96,583	33,748
iStorage Portfolio	2018 & 2020	Various US	36.1%	104	66,175 units	84%	579,359	228,618	350,741	239,169
Extra Space III Portfolio	2022 & 2023	Various US	40.0%	16	10,818 units	92%	95,720	-	95,720	115,372
Total - Self-Storage				250	166,001 units	88%	2,442,610	666,917	1,775,693	1,009,945
TOTAL PORTFOLIO⁶				344			\$ 10,888,830	\$ 2,491,405	\$ 8,397,425	\$ 7,519,782

1. Fund share based on effective Fund ownership percentage. Ownership percentage is net of the joint venture partner's promote, if applicable.

2. 100% of the property value, including joint venture partner's share, if applicable.

3. Weighting based on Fund ownership share.

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

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

6. Total portfolio leasing level excluding industrial development assets in lease-up, Commercial Point Portfolio and Stockton Industrial, and vacant retail anchor box at Flatiron Crossing is 94%.

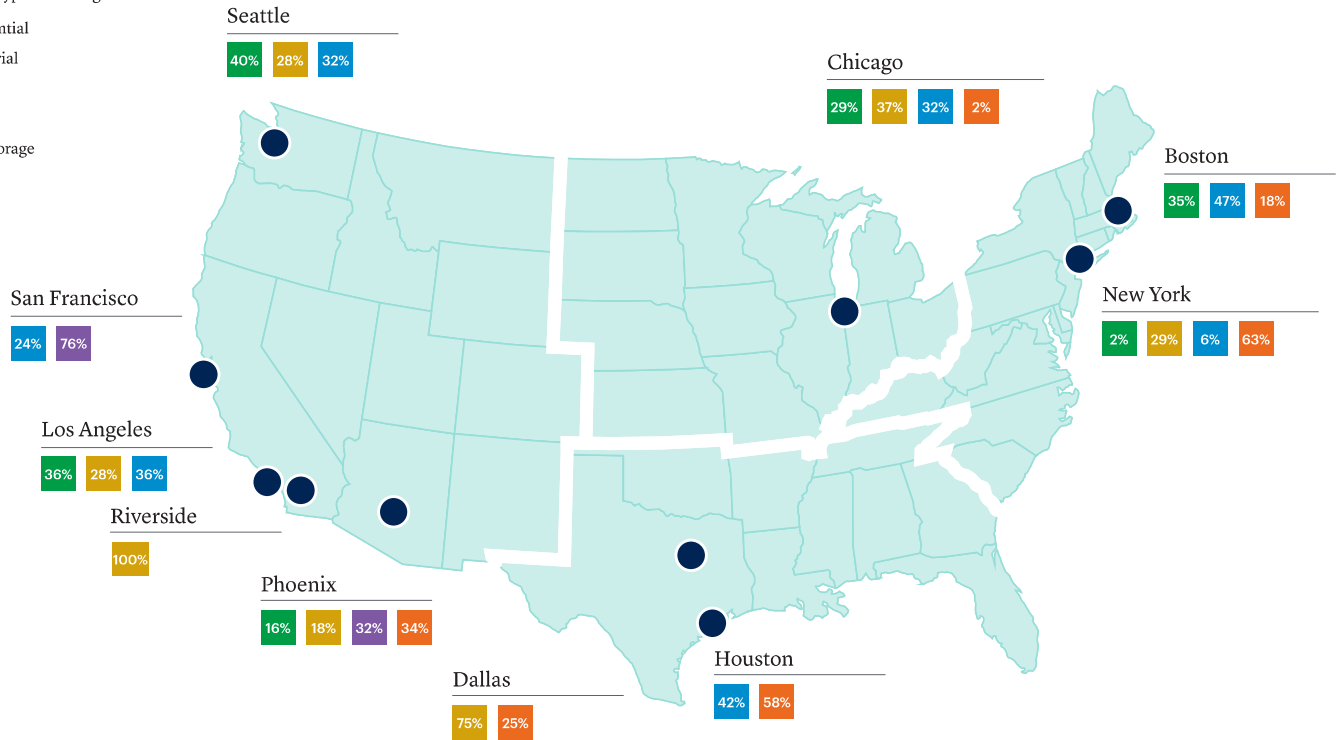
Portfolio Summary

TOP TEN MSAs AS OF MARCH 31, 2025

BASED ON GROSS REAL ESTATE VALUE

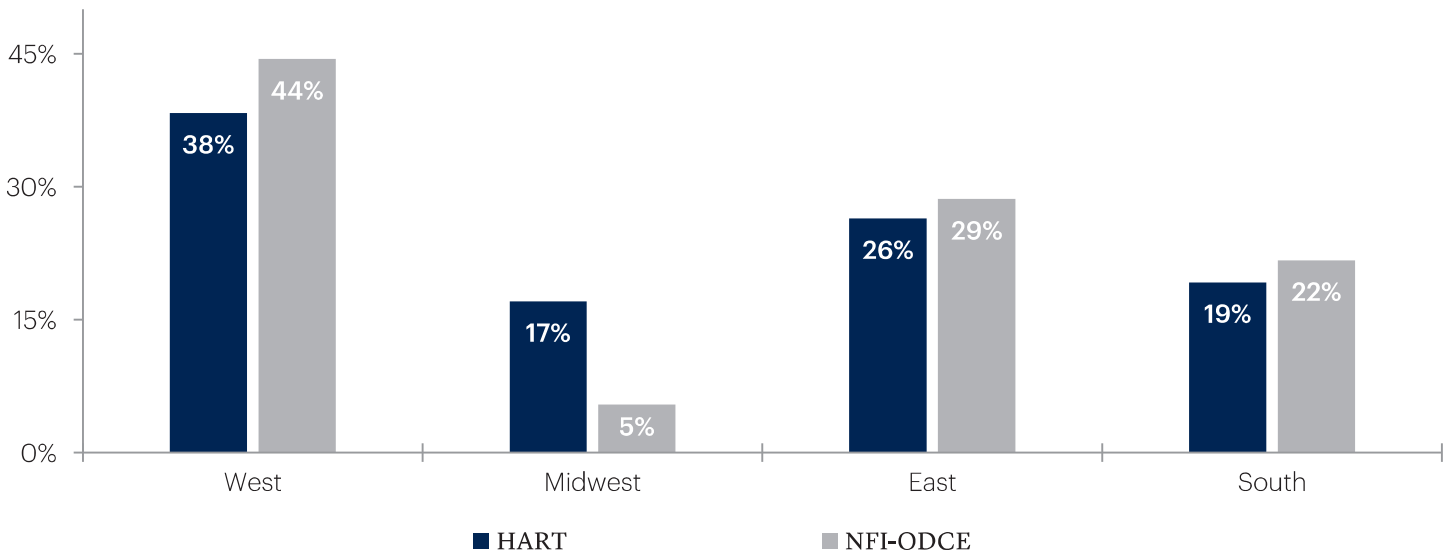
Property Type Percentage of MSA

- Residential
- Industrial
- Office
- Retail
- Self-Storage



GEOGRAPHIC DIVERSIFICATION AS OF MARCH 31, 2025

BASED ON GROSS REAL ESTATE VALUE



Portfolio Summary

PROPERTY LEASING PROFILE³³

1225 OLD TOWN

Chicago, IL

1225 Old Town (the "Property") is a class A, high-rise multi-family property located in downtown Chicago. The Property sits along Wells Street, the focal point of the Old Town neighborhood. It is situated blocks from Lincoln Park, North Avenue Beach, Oak Street Beach, the Clybourn corridor shopping district, the Magnificent Mile shopping district, and numerous dining and entertainment options. The Property consists of 250 apartment units and 33,804 sf of ground-level retail. The 11th floor includes resident amenities inclusive of a 24/7 fitness center, rooftop heated pool and hot tub, demonstration kitchen, social lounge, dog run, and work-from-home individual offices.

The Fresh Market, which operates over 160 grocery stores across 22 states, recently executed a lease for a 27,245 sf space located on the ground floor of the Property and is targeting an opening date by year-end 2025. The new lease has an 11-year term and fills the only retail vacancy at the Property. The Fresh Market has recently expanded into the Chicago market with a grocery format tailored towards freshly prepared grab-and-go food and beverages along with the traditional grocery store offerings. Having a high-quality grocer on site is a differentiating amenity for the Property and should aid in achieving higher rents on the multi-family units. We believe this is a strong outcome for the investment as The Fresh Market has extensive history in the grocery industry and a favorable credit profile.

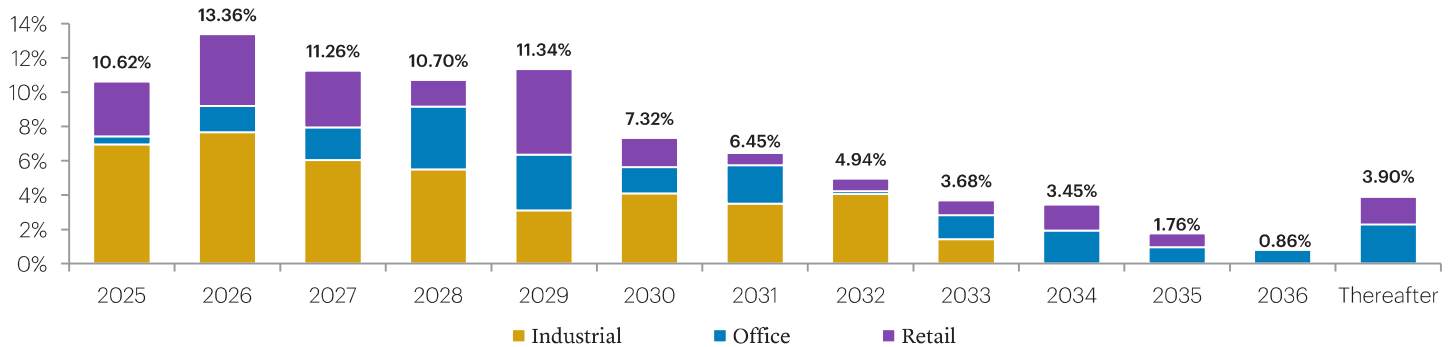


1225 Old Town — Chicago, IL

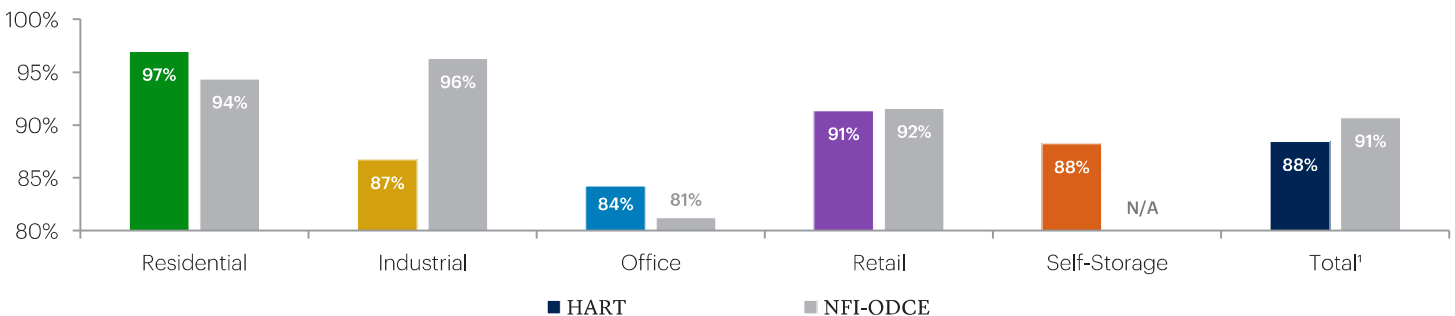
33. The property leasing profile reflects what Heitman believes to be the most notable leasing activity occurring in the Fund in Q1 2025. Past performance is not necessarily indicative of future results, and there can be no assurance that the Fund will achieve comparable results in the future.

LEASE EXPIRATION SCHEDULE AS OF MARCH 31, 2025

BASED ON GROSS REAL ESTATE VALUE



CURRENT LEASING COMPARISON



1. Total portfolio leasing level excluding industrial development assets in lease-up, Commercial Point Portfolio and Stockton Industrial, and vacant retail anchor box at FlatIron Crossing is 94%.

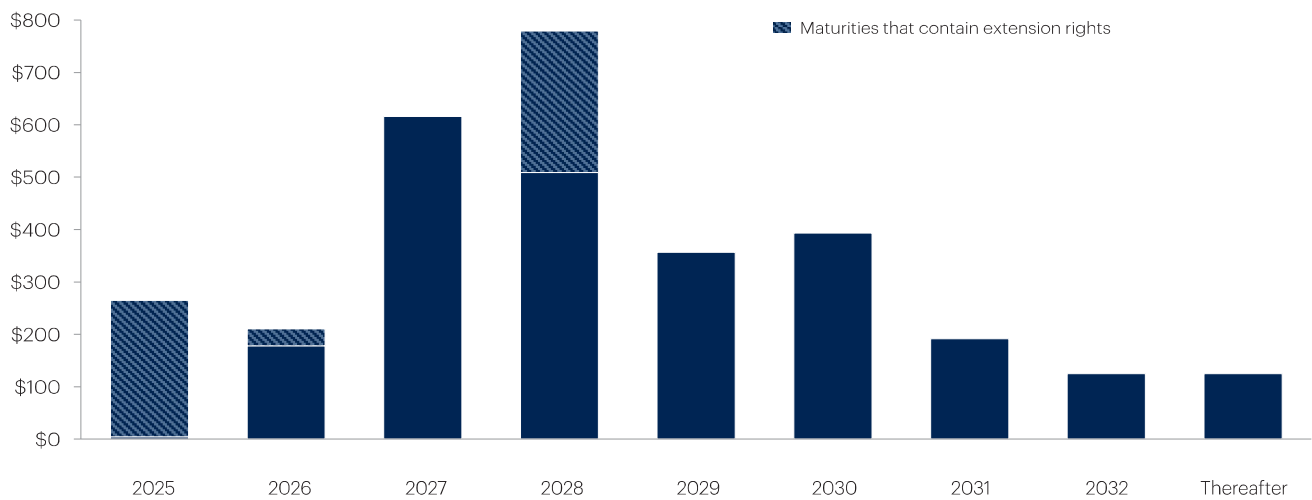
Portfolio Summary

DEBT OVERVIEW¹

Total Leverage Ratio ^{2 3}	26.1%
NFI-ODCE Leverage Ratio	26.7%
Weighted Average Maturity of Debt ⁴	3.5 years
Trailing One Year Debt Service Coverage Ratio ⁶	3.66
Weighted Average Interest Rate ⁷	4.36%

LOAN MATURITIES BY YEAR^{7 8}

\$ IN MILLIONS



	2025	2026	2027	2028	2029	2030	2031	2032	Thereafter
Loan Value	\$265.2	\$210.8	\$616.1	\$778.7	\$356.7	\$393.2	\$192.0	\$125.0	\$125.0
Percentage of Outstanding Loans	11.9%	3.7%	20.1%	25.4%	11.6%	12.8%	6.3%	4.1%	4.1%
Weighted Average Interest Rate	4.36%	4.10%	4.28%	5.00%	4.47%	3.61%	4.33%	3.24%	3.34%

1. There can be no assurance that the Fund will be able to effectively implement its debt management plan or investment strategy, achieve its investment or asset allocation objectives or avoid substantial losses.
2. 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 29.1%.
3. Total leverage (excluding the Credit Facility) at fair market value over total assets is 26.1%.
4. Excludes the Credit Facility, which had no outstanding balance as of March 31, 2025.
5. Trailing one year debt service coverage ratio is 2.82 for Fund encumbered assets.
6. Weighted by Fund's share of leverage (excluding the Credit Facility) at cost. Weighted average interest rate including the Credit Facility is 4.36%.
7. Fund's share of total debt excluding the Credit Facility and includes principal payments of amortizing loans.
8. Inclusive of the April 1, 2025 refinance of the loan on OneEleven.

Portfolio Summary

TIER 1 (T1) TOTAL LEVERAGE RECONCILIATION³

Total Assets per Condensed Combined Financial Statements	\$	11,858,185,102
+ Fund's Economic Share of Non-Consolidated Liabilities		1,109,992,766
- Joint Venture Partner's Economic Share of Total Assets		(1,608,566,441)
= Fund's Economic Share of Total Assets	\$	11,359,611,426
Fund's Total Debt at Cost ¹	\$	3,054,779,247
÷ Fund's Economic Share of Assets		11,359,611,426
= T1 Leverage Level²		26.9%

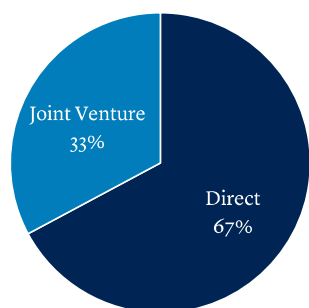
1. Includes Fund Level Debt, \$500 million outstanding as of March 31, 2025.

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

3. There can be no assurance that the Fund will be able to effectively implement its debt management plan or investment strategy, achieve its investment or asset allocation objectives or avoid substantial losses.

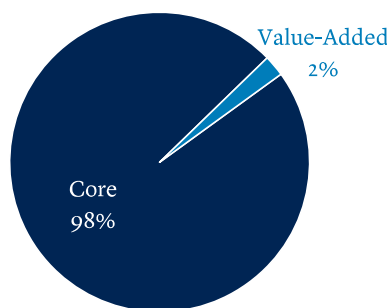
FUND STRUCTURE

BASED ON GROSS REAL ESTATE VALUE



INVESTMENT STRATEGY

BASED ON GROSS REAL ESTATE VALUE



TOTAL GLOBAL EXPENSE RATIO¹

FOR THE ROLLING FOUR QUARTER PERIODS ENDED MARCH 31, 2025 AND 2024

	2025		2024	
Asset/Fund management fees ²	\$	62,080,356	\$	68,048,408
Performance fees/compensation ³		2,201,860		-
Transaction-based management fees ⁴		497,500		135,000
Total Fees Earned by Investment Advisor	\$	64,779,716	\$	68,183,408
Total Vehicle-related costs charged by third parties⁵	\$	8,610,559	\$	7,630,176
Average Gross Asset Value⁶	\$	11,702,327,957	\$	12,628,503,269
Gross Asset Value TGER		0.63%		0.60%
Weighted Average Net Asset Value⁷	\$	8,507,234,751	\$	9,658,311,741
Net Asset Value TGER		0.86%		0.78%

1. There can be no assurance that the fees and costs reflected in the above table will not be significantly greater in the future. Increases in such fees and costs may negatively impact the returns to limited partners.

2. 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 combined financial statements as the asset management service arrangements are directly between the limited partners and the General Partner.

3. Includes incentive fees paid to the General Partner after a predetermined investment performance has been attained upon realization.

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

5. 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.

6. Gross asset value is the average of the quarterly assets as of March 31, 2024 through March 31, 2025 and March 31, 2023 through March 31, 2024, 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.

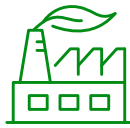
7. Net asset value is the average of the quarterly weighted net assets as of March 31, 2024 through March 31, 2025 and March 31, 2023 through March 31, 2024, respectively.

Sustainability

HART's sustainability objectives focus on:



**ASSET
ENHANCEMENT**



**RISK
MITIGATION**



**YIELD
EXPANSION**

FROM 2019 TO 2023, HART ACHIEVED:

-12%

**REDUCTION
ENERGY USE**

+20%

**INCREASED SOLAR
GENERATION**

-17%

**REDUCTION CARBON
EMISSIONS³**



ACCOMPLISHMENTS

**G R E S B
Top 5 Fund**

2022 | 2023 | 2024

2nd
in peer
group

53 sustainability projects^{1 4 5 6}

\$6.0M annual revenue & savings from projects to-date = 2bps increase in annual dividend yield

99 sustainability certifications⁴

100% confirmed compliance with 2024 energy and carbon benchmarking regulations^{2 5 7}

83% of office and multi-family portfolio hold tenant engagement events^{2 5 7}

HEITMAN/ULI REPORT - INSURANCE ON THE RISE: CLIMATE RISK AND REAL ESTATE INVESTMENT DECISIONS

In Q4 2024 Heitman, in collaboration with the Urban Land Institute (ULI), released the fifth report in our investment risk series, exploring how rising insurance costs are impacting commercial real estate. The report highlights that scarce reinsurance, inflation, regulatory changes, and increasing weather-related claims are driving up premiums, affecting property values, transactions, and investment returns.

To navigate these challenges, the report outlines key strategies to securing affordable insurance coverage and reducing climate risk exposure for commercial real estate investors.

- **Creative Insurance Solutions:** Higher deductibles, self-insurance, captives, and layered coverage.
- **Risk-Aware Investment Strategies:** Diversifying portfolios, strengthening resilience measures, and assessing geographic climate risks.

The report also highlights shifting trends in the single-family residential market that could impact commercial real estate, including insurance-driven migration and the growing insurance protection gap.

As extreme weather events increase, the report emphasizes that investors must go beyond traditional insurance practices and integrate resilience strategies to protect long-term portfolio performance.

To read the full report, visit our website: [Sustainability | Heitman](#)



As of 3/31/2025 unless otherwise noted.

1. Completed in 2023

2. At fund share of gross value

3. Scope 1 and 2 carbon emissions

4. GRESB BV. (GRESB) created and tabulated the Fund's score, which covers activities taking place during calendar years 2024 and is typically released on or around October 1 after a submission is made to GRESB. A participation assessment fee is paid for such submission. The Fund is a member of the GRESB Real Estate Assessment: US Diversified Core fund peer group; GRESB classifies peer groups based on the asset characteristics of the portfolios reported. The Fund's GRESB rating is based on the assets in the Fund held at any point during the reporting year, as of 3/31/2025.

5. The figures presented are estimates obtained through annual property reporting and analysis conducted by a third-party engineering consultant, Servidyne. The data and estimations provided are based on a combination of metrics reported by on-site teams and assumptions made by Servidyne. The on-site teams report project details from third-party vendors who execute the projects. In cases where data gaps exist, Servidyne assessed the estimated savings, return on investment (ROI), and/or payback period by considering factors such as project type, details on the scope of work, and total capital expenditure reported by the on-site team. There can be no assurance the savings or increase in Dividend Yield will be correct or achievable. Other factors not described above may materially impact the annual savings and increase in Dividend Yield achieved, and actual results will vary and may vary significantly from those set forth above. Estimates are presented for illustrative purposes only. These statements are not guarantees of future performance. They involve a number of risks and uncertainties that are difficult to predict.

6. Completed in 2024

7. At its share of Gross Value

The Fund considers ESG factors in the total mix of data used to make investment decisions. In addition to ESG factors the Fund will weigh other considerations with equal and in some cases preferred prominence. Strategies may be adjusted based on a variety of factors, including but not limited to, present and anticipated market conditions.

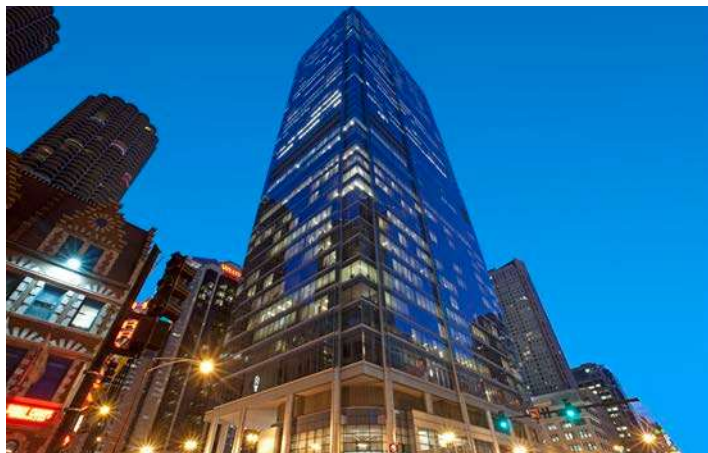


Property Transactions

First Quarter 2025 Transactions

353 N CLARK – CO-INVESTOR INTEREST PURCHASE

CHICAGO, IL



353 N Clark – Chicago, IL

Property Type	Office
Closing Date	February 12, 2025
Gross Purchase Price (Fund's Share)	\$5.5 million
Effective Fund Ownership Percentage Prior	75.0%
Effective Fund Ownership Percentage Current	100.0%

The acquisition of additional ownership interest in 353 North Clark was completed during Q1 2025. This acquisition allows the Fund greater flexibility in advancing the execution of the go-forward business plan for the investment as discussed previously.

There can be no assurance that the Fund will be able to effectively implement its capital expenditures plan or investment strategy, achieve its investment or asset allocation objectives or avoid substantial losses.

Past performance is not necessarily indicative of future results. There can be no assurance that the Fund will be able to acquire similar properties in the future or that future acquisitions will be on similar terms.



Financial Statements & Notes

Condensed Combined Financial Statements

HEITMAN AMERICA REAL ESTATE TRUST

CONDENSED COMBINED STATEMENTS OF NET ASSETS AS OF MARCH 31, 2025 AND DECEMBER 31, 2024

UNAUDITED

	2025	2024
ASSETS		
REAL ESTATE INVESTMENTS AT ESTIMATED FAIR VALUE:		
Real estate and improvements (Cost: 2025 - \$7,914,112,266; 2024 - \$7,886,506,461)	\$ 9,245,300,000	\$ 9,212,800,000
Non-consolidated real estate corporations and ventures (Cost: 2025 - \$1,930,881,543; 2024 - \$1,837,954,215)	2,189,850,468	2,139,344,779
Total real estate investments	11,435,150,468	11,352,144,779
CASH AND CASH EQUIVALENTS	286,800,505	664,094,958
RESTRICTED CASH	43,631,473	13,125,418
ACCOUNTS RECEIVABLE (net of allowance for doubtful accounts: 2025 - \$1,547,065; 2024 - \$1,437,938)	25,475,136	24,012,735
OTHER ASSETS	67,127,520	66,088,625
Total assets	11,858,185,102	12,119,466,515
LIABILITIES		
MORTGAGE NOTES PAYABLE AT ESTIMATED FAIR VALUE (Cost: 2025 - \$1,864,985,525; 2024 - \$1,881,394,081)	1,819,707,978	1,825,935,225
CREDIT FACILITY AT ESTIMATED FAIR VALUE (Cost: 2025 - \$0; 2024 - \$0)	-	-
PRIVATE PLACEMENT DEBT PAYABLE AT ESTIMATED FAIR VALUE (Cost: 2025 - \$500,000,000; 2024 - \$500,000,000)	473,547,420	467,412,207
REAL ESTATE TAXES PAYABLE	32,547,457	40,530,441
DISTRIBUTIONS PAYABLE	78,300,000	94,400,000
OTHER LIABILITIES	163,213,774	153,129,994
Total liabilities	2,567,316,629	2,581,407,867
TOTAL NET ASSETS	\$ 9,290,868,473	\$ 9,538,058,648
NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,202,100,423	1,261,511,098
NET ASSETS ATTRIBUTABLE TO HEITMAN AMERICA REAL ESTATE TRUST	\$ 8,088,768,050	\$ 8,276,547,550
SHARES OUTSTANDING ATTRIBUTABLE TO HEITMAN AMERICA REAL ESTATE TRUST	6,553,572.3750	6,722,332.7365
NET ASSET VALUE PER SHARE ATTRIBUTABLE TO HEITMAN AMERICA REAL ESTATE TRUST	\$ 1,234.2533	\$ 1,231.2017

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, 2025 AND DECEMBER 31, 2024

UNAUDITED

	Total Owned Square Feet/ Units ¹	Form of Ownership Interest	Location	2025		2024	
				Cost	Fair Value	Cost	Fair Value
Real estate and improvements							
Residential:							
Anara Santa Monica	350 units	Direct	Santa Monica, CA	\$ 188,403,303	\$ 183,900,000	\$ 188,284,434	\$ 187,700,000
1225 Old Town	250 units	Direct	Chicago, IL	167,503,583	149,000,000	167,110,604	144,100,000
Folio	606 units	Direct	Austin, TX	99,364,839	128,700,000	99,318,351	130,000,000
Biltmore at Camelback	270 units	Direct	Phoenix, AZ	78,989,372	94,500,000	78,894,250	92,600,000
OneEleven	504 units	Co-Investment	Chicago, IL	355,997,758	294,800,000	355,302,014	289,900,000
Premiere on Pine	386 units	Direct	Seattle, WA	249,870,399	215,600,000	249,812,295	203,100,000
The Porter Del Ray	276 units	Direct	Alexandria, VA	105,056,397	131,300,000	104,985,029	130,200,000
Cambridge Park	312 units	Direct	Cambridge, MA	184,089,490	192,800,000	183,933,031	191,400,000
Avalia Boca Raton	297 units	Direct	Boca Raton, FL	129,312,083	174,800,000	129,028,729	174,300,000
Square on Fifth	230 units	Direct	Atlanta, GA	143,741,023	158,000,000	143,548,865	156,500,000
Radius at 15th	200 units	Direct	Minneapolis, MN	77,995,037	72,700,000	77,865,034	72,700,000
The Sawyer Providence Farm	404 units	Direct	Charlotte, NC	99,751,188	147,100,000	99,608,185	146,300,000
Halo 46	158 units	Direct	Tampa, FL	53,205,859	77,000,000	52,949,815	79,200,000
The Ashborough	504 units	Direct	Ashburn, VA	164,557,128	211,400,000	163,837,226	204,900,000
Total - Residential (Fair Value is 28% of NAV)	4,747 units			2,097,837,459	2,231,600,000	2,094,477,862	2,202,900,000
Industrial:							
Chicago Industrial Portfolio	4,365,768	Direct	Various IL	320,324,158	479,100,000	320,329,430	468,300,000
West Coast Industrial Portfolio-CA	3,860,422	Co-Investment	Various CA	376,837,552	1,148,600,000	375,210,982	1,150,900,000
West Coast Industrial Portfolio-WA	1,422,353	Co-Investment	Various WA	133,078,682	298,000,000	132,967,960	290,000,000
New Jersey Industrial Portfolio	1,531,596	Direct	Various NJ	100,251,614	379,000,000	98,144,862	384,400,000
Westgate Building	414,020	Direct	San Bernardino, CA	36,083,907	108,900,000	36,083,907	113,700,000
Dallas Industrial Portfolio	2,911,083	Direct	Various TX	246,213,590	344,500,000	246,181,192	343,500,000
Perris Circle	474,235	Direct	Perris, CA	52,277,074	121,400,000	52,277,074	124,100,000
Rickenbacker	972,160	Direct	Columbus, OH	67,098,880	84,600,000	67,098,880	83,700,000
Gillem 900	1,043,418	Direct	Atlanta, GA	86,101,818	115,300,000	86,101,818	115,200,000
Agua Mansa Portfolio	813,513	Direct	Colton, CA	125,096,369	224,300,000	125,096,369	225,700,000
Logistics Center Phoenix	915,160	Direct	Glendale, AZ	72,827,757	101,600,000	72,827,757	100,700,000
Stockton Industrial Portfolio	1,090,160	Joint Venture	Stockton, CA	108,025,682	137,700,000	108,151,303	137,700,000
Commercial Point Portfolio	1,198,695	Direct	Columbus, OH	121,201,076	114,200,000	121,024,629	114,400,000
Total - Industrial (Fair Value is 45% of NAV)	21,012,583			1,845,418,159	3,657,200,000	1,841,496,163	3,652,300,000
Office:							
Foundry Square IV	239,798	Direct	San Francisco, CA	208,330,097	190,200,000	208,330,097	195,700,000
353 North Clark ²	1,184,258	Direct	Chicago, IL	795,697,957	414,700,000	783,354,283	402,800,000
First Hill Medical Pavilion	230,304	Direct	Seattle, WA	200,711,074	170,300,000	200,463,098	173,600,000
Healthcare Portfolio	962,626	Direct	Various US	444,150,973	395,200,000	443,767,970	392,000,000
28 State Street	573,584	Direct	Boston, MA	475,758,292	263,500,000	472,957,169	263,800,000
Campus at Playa Vista	338,996	Direct	Los Angeles, CA	355,138,775	181,400,000	354,756,705	184,600,000
Total - Office (Fair Value is 20% of NAV)	3,529,566			2,479,787,168	1,615,300,000	2,463,629,322	1,612,500,000
Retail:							
Pinnacle at Turkey Creek	657,776	Direct	Knoxville, TN	166,015,189	164,000,000	163,654,246	162,600,000
Pacific Commons	995,226	Direct	Fremont, CA	300,954,953	248,700,000	300,853,370	252,600,000
Shops at Wailea	181,162	Direct	Wailea, HI	372,999,976	317,500,000	371,919,843	323,800,000
Total - Retail (Fair Value is 9% of NAV)	1,834,164			839,970,118	730,200,000	836,427,459	739,000,000
Self-Storage:							
Storage Post I Portfolio	18,152 units	Joint Venture	NJ & NY	330,005,523	500,900,000	329,683,762	490,000,000
Metro Portfolio	8,006 units	Joint Venture	Various US	96,066,511	192,100,000	96,080,747	198,200,000
Storage Post II Portfolio	3,807 units	Joint Venture	Various NY	132,020,184	137,500,000	131,789,649	137,700,000
CubeSmart II Portfolio	5,894 units	Joint Venture	Various US	93,007,144	180,500,000	92,921,497	180,200,000
Total - Self Storage (Fair Value is 12% of NAV)	35,859 units			651,099,362	1,011,000,000	650,475,655	1,006,100,000
Total real estate and improvements				\$ 7,914,112,266	\$ 9,245,300,000	\$ 7,886,506,461	\$ 9,212,800,000

Condensed Combined Financial Statements

HEITMAN AMERICA REAL ESTATE TRUST

CONDENSED COMBINED STATEMENTS OF REAL ESTATE INVESTMENTS (CONTINUED) AS OF MARCH 31, 2025 AND DECEMBER 31, 2024

UNAUDITED

	Total Owned Square Feet/ Units ¹	Form of Ownership Interest	Location	2025		2024	
				Cost	Fair Value	Cost	Fair Value
Non-consolidated real estate corporations and ventures							
Residential:							
15 Bank Preferred Interest	-	Preferred Equity	White Plains, NY	\$ 30,291,340	\$ 30,201,340	\$ 30,291,340	\$ 30,201,340
Total - Residential (Fair Value is 0.37% of NAV)	-			30,291,340	30,201,340	30,291,340	30,201,340
Retail:							
Chandler Fashion Center	633,470	Joint Venture	Chandler, AZ	1,965,127	73,732,342	848,726	72,285,715
Macerich HHF Centers	2,236,830	Joint Venture	CO & NJ	713,478,543	292,459,158	624,832,109	199,921,516
Broadway Plaza	711,487	Joint Venture	Walnut Creek, CA	245,651,258	171,541,823	243,536,440	166,875,090
Total - Retail (Fair Value is 7% of NAV)	3,581,787			961,094,928	537,733,323	869,217,275	439,082,321
Self-Storage:							
Extra Space I Portfolio	24,055 units	Joint Venture	Various US	120,667,276	390,827,107	120,406,348	389,284,337
Extra Space II Portfolio ²	15,321 units	Joint Venture	NJ, PA, & TX	-	193,428,840	-	195,485,970
Extra Space III Portfolio	10,818 units	Co-Investment	Various US	232,040,130	192,614,137	232,305,479	196,590,810
CubeSmart I Portfolio	13,773 units	Joint Venture	NC & TX	86,966,614	141,286,258	86,637,902	142,288,913
iStorage Portfolio	66,175 units	Co-Investment	Various US	499,821,255	703,759,463	499,095,871	746,411,088
Total - Self Storage (Fair Value is 20% of NAV)	130,142 units			939,495,275	1,621,915,805	938,445,600	1,670,061,118
Total non-consolidated real estate corporations and ventures				\$ 1,930,881,543	\$ 2,189,850,468	\$ 1,837,954,215	\$ 2,139,344,779

1. 100%, including Joint Venture partner share, if applicable (unaudited).

2. The Fund acquired co-investor interest on February 12, 2025.

3. The cumulative distributions have been in excess of cost basis, therefore the cost basis has been presented as \$0.

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, 2025 AND THE YEAR ENDED DECEMBER 31, 2024

UNAUDITED

	2025	2024
INVESTMENT INCOME:		
Revenues from real estate and improvements	\$ 168,089,109	\$ 664,960,878
Equity income from non-consolidated real estate corporations and ventures	25,389,310	124,260,491
Interest income	4,956,794	16,785,518
Total investment income	198,435,213	806,006,887
EXPENSES:		
Real estate operating expenses	35,149,526	144,844,139
Real estate taxes	24,526,701	109,830,860
Interest expense	25,548,501	96,125,096
Financing costs	311,664	979,540
General and administrative expenses	4,047,093	12,353,112
Total expenses	89,583,485	364,132,747
NET INVESTMENT INCOME	108,851,728	441,874,140
REALIZED AND UNREALIZED GAIN/(LOSS) ON REAL ESTATE INVESTMENTS:		
Net proceeds from real estate and improvements sold	-	760,810,294
Less cost of real estate and improvements sold	(8,460)	(718,855,652)
Realization of previously recorded unrealized gain on real estate improvements sold	-	(78,469,130)
Realization of previously recorded unrealized loss on mortgage notes payable	-	(4,611,715)
Equity in realized gain on disposed non-consolidated real estate corporations and ventures	-	3,922,429
Realization of previously recorded unrealized gain (loss) on disposed non-consolidated real estate corporations and ventures	27,003	(531,218)
Net realized and unrealized gain (loss)	18,543	(37,734,992)
Unrealized gain (loss) on real estate and improvements	4,894,195	(475,846,064)
Unrealized loss on investments in non-consolidated real estate corporations and ventures	(42,421,639)	(16,294,763)
Unrealized loss on derivative financial instruments	(415,238)	(2,124,864)
Unrealized loss on mortgage notes payable	(10,181,309)	(13,363,130)
Unrealized loss on private placement debt payable	(6,135,213)	(5,088,646)
Net unrealized loss	(54,259,204)	(512,717,467)
NET REALIZED AND UNREALIZED LOSS	(54,240,661)	(550,452,459)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 54,611,067	\$ (108,578,319)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(43,687,477)	(88,684,626)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO HEITMAN AMERICA REAL ESTATE TRUST	\$ 98,298,544	\$ (19,893,693)

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, 2025 AND THE YEAR ENDED DECEMBER 31, 2024

UNAUDITED

	Heitman America Real Estate Trust		Non-controlling Interests	Total
	Shares	Amount		
NET ASSETS, JANUARY 1, 2024	6,964,370.2725	\$ 8,952,973,942	\$ 1,411,873,486	\$ 10,364,847,428
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM:				
OPERATIONS:				
Net investment income		391,569,131	50,305,009	441,874,140
Net realized and unrealized loss		(411,462,824)	(138,989,635)	(550,452,459)
CAPITAL TRANSACTIONS:				
Contributions	-	-	953	953
DRIP contributions	39,726.9002	49,667,301	-	49,667,301
Redemptions	(281,764.4362)	(350,000,000)	-	(350,000,000)
Distributions		(356,200,000)	(61,678,715)	(417,878,715)
NET ASSETS, DECEMBER 31, 2024	6,722,332.7365	8,276,547,550	1,261,511,098	9,538,058,648
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM:				
OPERATIONS:				
Net investment income		96,271,667	12,580,061	108,851,728
Net realized and unrealized gain (loss)		2,026,877	(56,267,538)	(54,240,661)
CAPITAL TRANSACTIONS:				
DRIP contributions	13,987.9242	17,221,956	-	17,221,956
Redemptions	(182,748.2857)	(225,000,000)	-	(225,000,000)
Distributions		(78,300,000)	(15,723,198)	(94,023,198)
NET ASSETS, MARCH 31, 2025	6,553,572.3750	\$ 8,088,768,050	\$ 1,202,100,423	\$ 9,290,868,473

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, 2025 AND THE YEAR ENDED DECEMBER 31, 2024

UNAUDITED

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net increase (decrease) in net assets resulting from operations	\$ 54,611,067	\$ (108,578,319)
Adjustments to reconcile net change in net assets resulting from operations to net cash flows from operating activities:		
Net realized and unrealized loss	54,240,661	550,452,459
Equity income from non-consolidated real estate corporations and ventures	(25,389,310)	(124,260,491)
Contributions to non-consolidated real estate corporations and ventures	(85,245,814)	(74,220,437)
Distributions from non-consolidated real estate corporations and ventures	17,734,799	353,920,396
Purchases of real estate and improvements	(18,931,511)	(105,736,515)
Proceeds from sale of real estate and improvements	-	760,810,294
Financing costs	311,664	979,540
Changes in:		
Accounts receivable	(1,462,401)	3,060,755
Other assets	(1,183,241)	1,966,201
Real estate taxes payable	(7,982,984)	(5,838,838)
Other liabilities	1,130,134	3,950,733
Net cash flows from operating activities	(12,166,936)	1,256,505,778
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from mortgage notes payable	-	79,500,000
Principal payments on mortgage notes payable	(408,556)	(1,875,985)
Payoff on mortgage notes payable	(16,000,000)	(188,791,162)
Payment of financing costs	(311,664)	(979,540)
Limited partner redemptions	(225,000,000)	(350,000,000)
Capital contributions from non-controlling interests	-	953
Distributions to limited partners, net of reinvestment	(77,178,044)	(301,032,699)
Distributions to non-controlling interests	(15,723,198)	(61,678,715)
Net cash flows from financing activities	(334,621,462)	(824,857,148)
NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(346,788,398)	431,648,630
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - Beginning of period	677,220,376	245,571,746
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - End of period	\$ 330,431,978	\$ 677,220,376
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	\$ 25,265,505	\$ 96,840,959

SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:

Real estate and improvements at March 31, 2025 and December 31, 2024, includes liabilities of \$18,543,612 and \$9,860,858, 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, 2025 AND THE YEAR ENDED DECEMBER 31, 2024

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 \$8,155,325,770, including \$124,292,760 of PF#1, consisting of 137 investors, increased the total to \$8,955,325,770. As of March 31, 2025, the total unfunded capital commitments of the Fund, including \$0 of PF#1, were \$80,310,000.

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, 2025, the Fund redeemed 182,748 shares totaling \$225,000,000. For the year ended December 31, 2024, the Fund redeemed 281,764 shares totaling \$350,000,000. As of March 31, 2025 and December 31, 2024, there were \$1,208,480,321 and \$1,380,044,815 of outstanding redemption requests, respectively. Subsequent to March 31, 2025, the Fund paid \$175,000,000 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 unaudited condensed combined financial statements do not include all of the disclosures required in conformity with GAAP for the annual combined financial statements. The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the operating results anticipated for the year ending December 31, 2025. Accordingly, these unaudited condensed combined financial statements should be read in conjunction with the annual combined financial statements for the year ended December 31, 2024.

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.

As of March 31, 2025, Lake Michigan Partners II, L.P., Heitman Storage Partners Co-Investment PV, LLC, and HHF Life Storage Wasatch Investor, LLC, which own through co-investment OneEleven, the iStorage Portfolio, and the Extra Space III Portfolio, respectively, are consolidated VIEs with total assets and liabilities of \$1,205,004,586 and \$136,401,233, respectively. As of December 31, 2024, Lake Michigan Partners I, L.P., Lake Michigan Partners II, L.P., Heitman Storage Partners Co-Investment PV, LLC, and HHF Life Storage Wasatch Investor, LLC, which own through co-investment 353 N Clark, OneEleven, the iStorage Portfolio, and the Extra Space III Portfolio, respectively, were consolidated VIEs with total assets and liabilities of \$1,707,028,552 and \$444,551,724, 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. Overall uncertainty in financial markets, including the impact of inflation and volatility in interest rates, ongoing geopolitical tensions, and a general decline in business activity could adversely affect the Fund's future operations, cash flows and access to financial markets, and the value of the Fund's investments in real estate and its business.

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 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), as deemed to approximate fair value, 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, 2025 and the year ended December 31, 2024, \$0 and \$90,000, respectively, of acquisition costs attributable to the Fund were capitalized and written off immediately in unrealized loss on the condensed combined statements of operations.

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, 2025 and December 31, 2024, \$130,052,347 and \$472,224,912, 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.

Notes to Condensed Combined Financial Statements

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, 2025	As of December 31, 2024
Cash and cash equivalents	\$ 286,800,505	\$ 664,094,958
Restricted cash	43,631,473	13,125,418
Total cash and cash equivalents and restricted cash	\$ 330,431,978	\$ 677,220,376

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.

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

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

The Fund records its derivative financial instruments, interest rate swaps, at fair value, which is the estimated amount that the Fund would receive or pay in a current exchange transaction. As of March 31, 2025 and December 31, 2024, the interest rate swap was recorded in other liabilities in the amount of \$70,891 and recorded in other assets in the amount of \$344,346, 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 – The majority of the Fund's revenue is lease revenue derived from its real estate and improvements, which is accounted for under ASC 842, **Leases**, ("ASC 842") and generally recognized on an accrual basis when earned in accordance with the terms of the underlying lease agreements. The Fund has elected to combine its lease (right to use an underlying asset) and non-lease components (transfer of a good or service that is not a lease) and account for them as a combined lease component in accordance with ASC 842. These amounts are reported as revenue from real estate and improvements within the accompanying condensed combined statements of operations.

Lease cancellation fees are recognized as income when the lease is terminated. For the three months ended March 31, 2025 and the year ended December 31, 2024, the Fund recorded \$1,384,096 and \$2,269,136, respectively, of lease cancellation income. Such amounts are included in the condensed combined statements of operations as revenues from real estate and improvements.

Leases – The Fund's leases where it is the lessee primarily consist of ground leases which are classified as operating leases upon adoption of ASC 842. If the Fund enters into a new ground lease or modifies an existing ground lease, the lease classification will have to be reassessed in accordance with ASC 842. ASC 842 requires the Fund to record a right-of-use ("RoU") asset and related lease liability for the rights and obligations associated with these operating leases. As of March 31, 2025 and December 31, 2024, the balance of lease liabilities was \$59,000,000 and \$58,800,000, respectively, and RoU assets was \$59,000,000 and \$58,800,000, respectively. These lease liabilities and RoU assets are included in the condensed combined statements of net assets in other liabilities and other assets, respectively.

The Fund values the lease liabilities and RoU assets on a quarterly basis and the amount of unrealized gain (loss) between the lease liabilities and RoU assets offset to have no material impact on net assets. For the three months ended March 31, 2025 and the year ended December 31, 2024, the Fund recorded unrealized gain of \$200,000 and \$1,200,000, respectively, on the lease liabilities and unrealized loss of \$200,000 and \$1,200,000, respectively, on the RoU assets.

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.

Notes to Condensed Combined Financial Statements

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, 2025 and the year ended December 31, 2024, there have been no uncertain tax positions.

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, 2025 and the year ended December 31, 2024, no Promote Distributions were made as certain thresholds were not achieved.

As of March 31, 2025 and December 31, 2024, the Fund has \$180,544,489 and \$104,176,495, 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).

A brief summary of the real estate investment transactions for the periods ended March 31, 2025 and December 31, 2024 is shown in Exhibit A. There were no acquisitions completed for the year ended December 31, 2024. For the three months ended March 31, 2025, the Fund acquired the equity interest of the existing co-investor in 353 North Clark for a purchase price of \$5,500,000.

3. CREDIT FACILITY

On April 24, 2013, the Fund entered into a \$200,000,000 Credit Facility agreement with Bank of America ("BofA"). As of March 31, 2025 and December 31, 2024, BofA has committed 31.25% to 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 24, 2022, the Fund amended the Credit Facility agreement to extend the term of the loan to June 24, 2025. The amended maximum aggregated principal amount may not exceed \$400,000,000. The index rate for the Credit Facility has been amended to Secured Overnight Financing Rate ("SOFR"). All other terms from the previously amended agreement remained the same.

The Fund has the ability to request Credit Facility increases up to a maximum aggregated principal amount not to exceed \$750,000,000. The increase must be greater than or equal to \$25,000,000 and in integral multiples of \$1,000,000 in excess thereof. 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.

EXHIBIT A - REAL ESTATE INVESTMENTS TRANSACTIONS

Dispositions	2025			
	Disposition Date	Form of Ownership	Location	Gross Sales Price
N/A - No transaction activity in the current period.				\$ -
Total Dispositions - 2025				\$ -
Dispositions	2024			
	Disposition Date	Form of Ownership	Location	Gross Sales Price
Commons Park West	1/12/2024	Direct	Denver, CO	\$ 145,500,000
15 Bank ¹	1/31/2024	Direct	White Plains, NY	193,000,000
Dallas Industrial Portfolio - 35 Eagle Building D	6/12/2024	Direct	Fort Worth, TX	62,300,000
Alhambra Medical Office Building	6/20/2024	Direct	Sacramento, CA	45,555,000
Villas at River Oaks	6/27/2024	Direct	Houston, TX	56,000,000
The Taylor	7/26/2024	Direct	Dallas, TX	106,500,000
Metro Portfolio - Partial Sale	7/31/2024	Joint Venture	Various US	97,000,000
Miracle Marketplace	11/22/2024	Direct	Miami, FL	62,000,000
Total Dispositions - 2024				\$ 767,855,000

1. The Fund sold 15 Bank to an unrelated third party. In conjunction with the sale, the Fund and the third party formed a new joint venture, which is treated as a non-consolidated real estate corporation and venture, as the Fund no longer controls this investment. In accordance with the terms of the joint venture agreement, the Fund is entitled to a preferred return on its \$30,000,000 investment.

Notes to Condensed Combined Financial Statements

The Fund is a guarantor of the Credit Facility. The amended Credit Facility matures on June 24, 2025, with two one-year extension option, which is subject to compliance with financial covenants, and is exercisable at the Fund's discretion.

The floating daily interest rate for each borrowing is the Daily Simple SOFR plus a spread of 1.00% to 1.25% based on the ratio of total indebtedness to total asset value. Additionally, the Fund pays annually a facility fee from 15 to 20 basis points based on the ratio of total indebtedness and a \$50,000 administrative agency fee.

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. As of March 31, 2025 and December 31, 2024, no letters of credit have been issued.

As of March 31, 2025 and December 31, 2024, there were no outstanding balances under the Credit Facility. A summary of the Credit Facility as of March 31, 2025 and December 31, 2024 is shown in Exhibit B.

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, 2025.

4. MORTGAGE NOTES PAYABLE AND PRIVATE PLACEMENT DEBT PAYABLE

On January 10, 2024, the Fund extended the existing mortgage note on four assets within the Metro Portfolio with a maturity date of September 1, 2024. The note was then included in a July 1, 2024 refinance, when the Fund refinanced three mortgage notes on nine assets within the Metro Portfolio. The refinanced mortgage note is in the amount of \$34,000,000. The note is amortizing with a fixed rate of 6.52% and a maturity date of September 1, 2027. The note is collateralized by a mortgage on real property and all rents and profits of seven properties within the Metro Portfolio.

On December 17, 2024, the Fund refinanced one mortgage note on eleven assets within the CubeSmart II Portfolio. The refinanced mortgage note is in the amount of \$45,500,000. The note is amortizing with a fixed rate of 5.85% and a maturity date of December 16, 2026. The note is collateralized by a mortgage on real property and all rents and profits of eleven properties within the CubeSmart II Portfolio.

On February 12, 2025, the Fund modified and extended the existing mortgage note on 353 North Clark and paid down \$16,000,000 of the outstanding balance. The extended maturity date is February 15, 2028 and the note is interest only with a fixed rate of 7.00%. The note is collateralized by a mortgage on real property and all rents and profits of 353 North Clark.

As of March 31, 2025 and December 31, 2024, the fair value of mortgage notes payable totaled \$1,819,707,978 and \$1,825,935,225, respectively, bearing fixed interest rates of 2.55% - 7.00% and 2.55% - 6.52%, respectively. As of March 31, 2025 and December 31, 2024, these mortgage notes

payable were collateralized by properties with an aggregate fair value of \$4,430,500,000 and \$4,435,100,000, respectively. All of the mortgage notes payable contain prepayment penalty provisions. As of March 31, 2025, aggregate contractual maturities of debt are as follows by calendar year:

Year Ending December 31	
2025	\$ 332,498,002
2026	47,181,820
2027	669,549,718
2028	487,511,485
2029	186,400,000
Thereafter	644,150,000
Total	\$ 2,367,291,025

The Fund has \$331,290,000 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. The Fund is currently evaluating various strategies to satisfy debt obligations as they mature, which include potential dispositions, refinancings of maturing loans, or paydown. The Fund believes market-based alternatives to refinance the mortgage notes payable would be available based on the historical operating performance of properties and existing capital market conditions.

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, 2025 and the year ended December 31, 2024.

SCHEDULE OF INVESTMENT MANAGEMENT FEES

Investment Management Fees	Financial Statement Caption	Three Months Ended March 31, 2025	Year Ended December 31, 2024	Fee Description
Loan Origination ¹	Financing Costs	\$ 100,000	\$ 397,500	0.04% - 0.50% of new loan proceeds
Asset Management Fees ²	N/A ³	14,978,856	63,184,847	% of NAV (varies)
Total Investment Management Fees		\$ 15,078,856	\$ 63,582,347	

- In accordance with the Partnership Agreements, the Fund will pay the General Partner financing fees for each financing that the General Partner arranges on behalf of the Fund.
- 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, 2025 and the year ended December 31, 2024, the limited partners paid asset management fees in the amounts of \$15,503,497 and \$64,435,167, respectively. As of March 31, 2025 and December 31, 2024, asset management fees of \$14,978,856 and \$15,503,497, respectively, remain outstanding to be paid by the limited partners.
- 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, 2025 and the year ended December 31, 2024, the Fund did not incur any acquisition fees to any 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%.

Notes to Condensed Combined Financial Statements

EXHIBIT B - MORTGAGE NOTES PAYABLE, CREDIT FACILITY AND PRIVATE PLACEMENT DEBT PAYABLE

	March 31, 2025		December 31, 2024		Interest Rate	Origination Date	Maturity Date
	Cost	Fair Value	Cost	Fair Value			
Credit facility ¹	\$ -	\$ -	\$ -	\$ -	SOFR + 1.10%	6/24/22	6/24/25 ²
US Private Placement Tranche #1 ³	125,000,000	122,537,347	125,000,000	121,613,338	3.77%	2/15/18	2/15/27
US Private Placement Tranche #2 ³	125,000,000	122,547,275	125,000,000	121,611,620	3.77%	3/27/18	2/15/27
US Private Placement Series A ³	62,500,000	57,668,638	62,500,000	56,671,551	3.24%	4/1/22	4/1/32
US Private Placement Series B ³	62,500,000	56,620,945	62,500,000	55,489,633	3.34%	4/1/22	4/1/34
US Private Placement Series C ³	62,500,000	57,606,348	62,500,000	56,598,741	3.24%	5/17/22	5/17/32
US Private Placement Series D ³	62,500,000	56,566,867	62,500,000	55,427,324	3.34%	5/17/22	5/17/34
Total credit facility and private placement debt	\$ 500,000,000	\$ 473,547,420	\$ 500,000,000	\$ 467,412,207			
Residential							
Anara Santa Monica	\$ 86,400,000	\$ 82,793,144	\$ 86,400,000	\$ 82,113,037	3.50%	9/29/17	10/1/29
Folio	55,000,000	51,202,713	55,000,000	50,597,886	2.55%	7/31/20	8/1/30
OneEleven	131,290,000	131,290,000	131,290,000	130,995,436	3.30%	2/12/15	4/1/25
The Porter Del Ray	57,150,000	53,149,388	57,150,000	52,527,065	2.55%	7/31/20	8/1/30
Square on Fifth	74,845,525	75,070,538	75,254,081	75,008,107	3.91%	9/9/16	10/1/28
Total Apartments	404,685,525	393,505,783	405,094,081	391,241,531			
Industrial							
West Coast Industrial Portfolio - CA	\$ 177,580,000	\$ 177,727,891	\$ 177,580,000	\$ 176,888,243	5.58%	2/28/23	9/5/27
West Coast Industrial Portfolio - WA	42,420,000	42,455,328	42,420,000	42,254,754	5.58%	2/28/23	9/5/27
Chicago Industrial Portfolio	100,000,000	96,098,655	100,000,000	95,249,216	3.57%	6/30/17	7/5/29
Dallas Industrial Portfolio	90,000,000	86,003,689	90,000,000	85,273,283	3.60%	3/28/18	4/1/30
Total Industrial	410,000,000	402,285,563	410,000,000	399,665,496			
Office							
353 North Clark	\$ 270,000,000	\$ 270,000,000	\$ 286,000,000	\$ 285,211,070	7.00%	2/12/15	2/15/28 ²
28 State Street	192,000,000	175,538,036	192,000,000	173,403,493	4.33%	5/5/21	5/10/31
Total Office	462,000,000	445,538,036	478,000,000	458,614,563			
Retail							
Pacific Commons	\$ 145,000,000	\$ 139,331,243	\$ 145,000,000	\$ 138,277,312	3.75%	12/30/15	4/1/28
Shops at Wailea	136,800,000	132,345,794	136,800,000	131,531,237	3.80%	8/12/15	9/1/27
Total Retail	281,800,000	271,677,037	281,800,000	269,808,549			
Storage							
Storage Post I Portfolio	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000	5.48%	12/1/22	12/1/25 ²
Metro Portfolio	61,000,000	61,201,559	61,000,000	61,105,086	6.00% - 6.52%	8/4/23 - 7/1/24	9/1/27
Storage Post II Portfolio	50,000,000	50,000,000	50,000,000	50,000,000	5.48%	4/1/21	12/1/25 ²
CubeSmart II Portfolio	45,500,000	45,500,000	45,500,000	45,500,000	5.85%	12/16/24	12/16/26 ²
Total Storage	306,500,000	306,701,559	306,500,000	306,605,086			
Total mortgage notes payable	\$ 1,864,985,525	\$ 1,819,707,978	\$ 1,881,394,081	\$ 1,825,935,225			
Total notes payable	\$ 2,364,985,525	\$ 2,293,255,398	\$ 2,381,394,081	\$ 2,293,347,432			

1. As of March 31, 2025 and December 31, 2024, SOFR was 4.41% and 4.49%, respectively.

2. Includes extension rights beyond the maturity date presented.

3. The notes are guaranteed by the Fund subject to certain covenant requirements. The Fund believes it was in compliance with all covenant requirements at March 31, 2025.

Notes to Condensed Combined Financial Statements

6. FINANCIAL HIGHLIGHTS

The Fund computes net assets per share on a quarterly basis. The financial highlights for the three months ended March 31, 2025 and the year ended December 31, 2024, are as follows:

Per share operating performance	2025	2024
Net asset value, beginning of period	\$ 1,231.2017	\$ 1,285.5396
Income from investment operations		
Net investment income	14.6900	57.1742
Net realized and unrealized gain (loss)	0.3093	(59.4706)
Total from investment operations	14.9993	(2.2964)
Less distributions	(11.9477)	(52.0415)
Net asset value, end of period	\$ 1,234.2533	\$ 1,231.2017
Total return ^{1 2}	1.2%	-0.2%
Supplemental Data:		
Net assets, end of period	\$ 8,088,768,050	\$ 8,276,547,550
Ratios to average net assets: ^{2 3}		
Total expenses	1.1%	4.3%
Net investment income	1.3%	5.2%

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, 2025 and the year ended December 31, 2024.

7. SUBSEQUENT EVENTS

On April 1, 2025, the Fund refinanced the mortgage note on OneEleven. The refinanced mortgage note is in the amount of \$132,800,000. The note is interest only with an all-in rate of 5.60%, comprised of a fixed rate of 3.95% plus an additional spread of 1.65%, with a maturity date of April 3, 2026 and six one-year extension options. The note is collateralized by a mortgage on real property and all rents and profits of OneEleven.

On April 2, 2025, two limited partners contributed \$60,075,000 to the Fund.

On April 16, 2025, the Fund borrowed \$60,000,000 on the Credit Facility at a floating interest rate of 5.52%.

On April 17, 2025, the Fund made a distribution in the amount of \$78,300,000 from operating cash flow, of which asset management fees of \$14,978,856 were paid directly to the General Partner by the limited partners. In addition, \$15,673,637 of the distribution was reinvested into the Fund as part of the limited partners' elected DRIP.

On April 17, 2025, the Fund paid \$175,000,000 in redemption requests.

On April 17, 2025, three existing limited partners increased their capital commitments by \$20,250,000.

The Fund evaluated activity through May 8, 2025 (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.