



## Monthly Commentary

The Fund returned -2.3% on a net basis in December.

The broader stock market sold off last month following hawkish commentary from the Fed on the number of rate cuts in 2025. Despite this volatility, the Fund managed to capture only 54% of the global REIT market's sell-off, in line with our year-to-date average downside capture ratio of 52%. Our analysis suggests that the market's knee-jerk reaction more than fully priced in the slower pace of rate cuts. With valuations returning to more attractive levels, the Fund increased its beta exposure towards the end of the month.

Outsized gains on United Homes Group (UHG) convertible bonds and Sunstone Hotel (SHO), both top holdings in the portfolio, helped to mitigate losses. UHG is a homebuilder focusing on the U.S. Southeast market. We participated in its convertible bond offering in spring 2023 as a Private Investment in Public Equity. Purchased at a discount to par with a 15% yield, the bond was redeemed at a significant premium in December, generating a ~47% IRR for the Fund.

Sunstone Hotel is a high-conviction pick in the lodging sector, featuring strong RevPAR growth potential and a conservative balance sheet. The name appears in both our long-only portfolio and the long side of the market-neutral portfolio. One of the theses for the investment is that the ongoing share buyback program helps to shrink the company's share count, making it easier to be targeted for M&A activities. In early December, the company received private equity interest for a potential buyout, prompting the sell-side to raise their target prices.

### Returns\*

	MTD	YTD	1 YR	SI <sup>1</sup>
HREAL	-2.3%	9.6%	9.6%	10.9%

Country	Long	Short	Net
United States	113.0%	-41.0%	72.0%
United Kingdom	15.1%	-3.5%	11.6%
Germany	8.3%	-1.2%	7.1%
Canada	10.2%	-3.6%	6.6%
Netherlands	2.5%	0.0%	2.5%
Belgium	4.2%	-2.3%	1.9%
Sweden	2.1%	-1.2%	0.9%
France	1.1%	-1.1%	0.0%
Switzerland	0.0%	-2.6%	-2.6%
<b>Total</b>	<b>156.5%</b>	<b>-56.6%</b>	<b>99.9%</b>

Sector	Long	Short	Net
Industrial	21.8%	-5.8%	16.0%
Healthcare	20.2%	-5.1%	15.2%
Multifamily	19.5%	-6.6%	12.9%
Data Centre	12.8%	0.0%	12.8%
Office	16.8%	-9.9%	6.9%
Triple Net Lease	8.2%	-1.5%	6.7%
Self Storage	7.8%	-1.4%	6.4%
Diversified	11.4%	-5.1%	6.3%
Hotel	13.7%	-8.8%	4.9%
Single Family Rental	4.4%	0.0%	4.4%
Cell Towers	4.2%	-1.0%	3.2%
Regional Mall	5.6%	-3.6%	2.0%
Shopping Centre	8.9%	-7.5%	1.4%
Homebuilder	1.0%	0.0%	1.0%
Derivative	0.0%	-0.2%	-0.2%
<b>Total</b>	<b>156.5%</b>	<b>-56.6%</b>	<b>99.9%</b>

Asset Class	Long	Short	Net
Common Equity	144.0%	-56.3%	87.7%
Bond	7.8%	0.0%	7.8%
Preferred Shares	4.6%	0.0%	4.6%
Public Derivative	0.0%	-0.2%	-0.2%
<b>Total</b>	<b>156.5%</b>	<b>-56.6%</b>	<b>99.9%</b>

Top 10 Investments	Asset Class	Country	Sector	% NAV
Equinix	Common Equity	United States	Data Centre	8.5%
Regency Centers Corp	Common Equity	United States	Shopping Centre	6.3%
Sonida Senior Living	Common Equity	United States	Healthcare	6.2%
CareTrust REIT	Common Equity	United States	Healthcare	5.5%
Sunstone Hotel Investors	Common Equity	United States	Hotel	5.0%
KSLK Trust Corp (2nd Loan)	Bond	Germany	Diversified	4.7%
Vornado Realty Trust Series N Pfd	Preferred Shares	United States	Office	4.6%
Public Storage	Common Equity	United States	Self Storage	4.6%
Camden Property Trust	Common Equity	United States	Multifamily	4.1%
Equity Residential	Common Equity	United States	Multifamily	4.0%

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<sup>1</sup> Since inception as of January 18, 2023. Benchmark is the FTSE EPRA/NAREIT Developed ex Asia Net Total Return Index. \*Net Return.