hazelview
INVESTMENTS

Hazelview Alternative Real Estate Fund
Monthly Summary as of September 30, 2024

Monthly Commentary

The Fund appreciated by 3.1% on a net basis in September.

The recent favourable macroeconomic backdrop continued for REITs with the ECB implementing their second rate cut and the Federal Reserve announcing their first cut of 50 basis points, officially joining other major central banks in adopting monetary easing measures. The Fund's dynamic beta model prompted some profit-taking mid-month, but towards the end of September, the model signaled a dip-buying opportunity. The Fund is well positioned to reallocate the additional capital received from these recent gains should other market mispricing opportunities occur.

American Healthcare REIT was a key contributor to the month's performance. The Fund participated in the company's IPO in February 2024 at a price of $12 USD, and since then the share price has surged on the back of strong quarterly results and inclusion into the Russell 2000 Index.

Monetary policy inflection points often lead to performance dispersion among different property types. Historically, consumer-oriented properties like lodging and retail tend to underperform when the Fed eases, as rate cuts are typically associated with recession risk. In fact, U.S. lodging REITs had already underperformed the broader REIT universe by 25% prior to the first rate cut in this cycle, indicating that market fears of a recession were already priced in. However, the Fed is closely monitoring the labour market for signs of weakness, which increases the likelihood of a soft landing. Given this context, the Fund has incrementally increased its lodging exposure in anticipation that the market will correct the recent selloff in the sector, allowing for a rebound in prices ahead of the holiday season.

Returns*

	MTD	YTD	1 YR	SI[1]
HREAL	3.1%	9.7%	24.1%	12.6%

Country	Long	Short	Net
United States	139.1%	-76.1%	63.0%
United Kingdom	8.2%	0.0%	8.2%
Germany	7.2%	0.0%	7.2%
Canada	7.2%	-2.0%	5.1%
Belgium	1.7%	0.0%	1.7%
Netherlands	1.2%	0.0%	1.2%
Total	**164.5%**	**-78.1%**	**86.4%**

Sector	Long	Short	Net
Healthcare	22.1%	-4.8%	17.3%
Homebuilder	13.2%	0.0%	13.2%
Industrial	17.8%	-5.5%	12.3%
Data Centre	11.1%	-1.4%	9.7%
Multifamily	14.3%	-7.2%	7.2%
Triple Net Lease	10.8%	-4.7%	6.1%
Self Storage	8.3%	-3.5%	4.8%
Hotel	13.1%	-8.5%	4.6%
Regional Mall	6.7%	-2.9%	3.8%
Cell Towers	8.1%	-4.8%	3.3%
Office	12.1%	-9.2%	2.9%
Single Family Rental	2.8%	0.0%	2.8%
Shopping Centre	13.2%	-11.4%	1.8%
Manufactured Home	0.4%	-0.4%	0.0%
Derivative	0.0%	-0.4%	-0.4%
Diversified	10.5%	-13.4%	-2.8%
Total	**164.5%**	**-78.1%**	**86.4%**

Asset Class	Long	Short	Net
Common Equity	145.5%	-77.7%	67.8%
Fixed Income	14.7%	0.0%	14.7%
Preferred Shares	4.4%	0.0%	4.4%
Public Derivative	0.0%	-0.4%	-0.4%
Total	**164.5%**	**-78.1%**	**86.4%**

Top 10 Investments	Asset Class	Country	Sector	% NAV
United Homes Group 15% Bond	Bond	United States	Homebuilder	9.9%
Public Storage	Common Equity	United States	Self Storage	7.8%
Equinix	Common Equity	United States	Data Centre	7.4%
American Tower Corporation	Common Equity	United States	Cell Towers	6.7%
Sonida Senior Living	Common Equity	United States	Healthcare	6.3%
CareTrust REIT	Common Equity	United States	Healthcare	5.2%
ERWE Immobilien Corp (2nd Loan)	Bond	Germany	Diversified	4.8%
Avalonbay Communities	Common Equity	United States	Multifamily	4.5%
Vornado Realty Trust Series N Pfd	Preferred Shares	United States	Office	4.4%
Macerich	Common Equity	United States	Regional Mall	4.0%

For more information, please contact:

Hazelview
1133 Yonge Street, 4th Floor,
Toronto, Ontario, M4T 2Y7
416.923.0842
info@hazelview.com

Jennifer Williams
Managing Partner
Head of Retail Sales
jwilliams@hazelview.com

Gabriel Gingras
Partner
Advisory Channel, QC
ggingras@hazelview.com

hazelview.com

1 Since inception as of January 18, 2023. 2 Benchmark is the FTSE EPRA/NAREIT Developed ex Asia Net Total Return Index. *Net Return.