

Q3 2025 Valuation Report



HREIF Highlights

\$95.17

Q4 Series One Unit Price

5.0%¹

Q4 Distribution Rate

94%²

Occupancy

-2.3%³

Same Property NOI Growth

Price and Distribution

The Q4 2025 Series One Unit (S1) price held steady relative to Q3, moving from **\$95.34 to \$95.17 (-0.2%)**. The valuation continues to be supported by independent third-party appraisals, reflecting the current market value of the portfolio.

During the quarter, the Fund distributed \$1.53/S1 to investors. Looking ahead, the Board of Directors has approved a **5.0% annualized distribution for the next quarter for S1 and Series Two Units (S2)**.

The Q4 S1 price was driven by:

Q3 Net Asset Value	\$95.34
Net Operating Income of the Fund	\$0.71
Asset Valuation Updates	\$1.64
Fees, Distributions & Other	(\$1.73)
Interest Expense & Debt Adjustments	(\$0.73)
Realizations of Assets Sold	<u>(\$0.06)</u>
Q4 Net Asset Value	\$95.17

Redemption Policy⁴

Effective October 1, the HREIF Board of Directors has approved lifting the suspension of S1 redemptions. This decision reflects improved market conditions and a favorable outlook for Fund liquidity through year-end.

The S1 redemption request window closes on November 1. Redemptions will be processed at the Q4 Net Asset Value (NAV) price of \$95.17/S1.

As a reminder:

- S1 redemptions are limited to 2.5% of total NAV per quarter and 10% per calendar year, per the HREIF Operating Agreement.
- S1 redemptions are subject to the Manager's discretion based on the liquidity of the Fund.

The S2 offering is open as filed during Q2 2025. The S2 price for new issuance and redemptions is 82% of the Q4 S1 price, or \$78.04/S2. The purpose and benefit of

S2 issuance is to potentially accelerate the repositioning of the portfolio into long-term, stabilized cash-flowing assets. S2 redemptions are limited to 50% of the total amount of S2 equity raised during the quarter. If you are interested in learning more about the S2 offering, please contact a member of our Investor Relations team.

Liquidity / Debt

As of September 30, the Fund maintained reserves sufficient to cover at least 12 months of distributions at the current 5.0% annualized rate. This reserve provides stability and visibility for near-term cash needs, even as the portfolio continues to undergo repositioning.

The Fund reduced its revolving credit facility (RLOC) from a balance of \$38M at the end of Q2 to \$6M at the end of Q3. In Q4, we expect HREIF to retire the existing RLOC and realize \$34M of cash by securing new term loan debt on stabilized properties. HREIF currently has two properties under contract to sell and anticipates refinancing three additional properties, all of which are expected to provide approximately \$42M to the Fund by the end of Q4. Fund liquidity (which also includes asset cash flow) will be used to:

- invest in cash-flowing assets,
- fund the current 5% distribution as noted above,
- provide a cushion of cash reserves, and
- fund S1 redemption requests.

Valuation Policy

During the quarter, the HREIF board approved an updated valuation policy designed to better align the Fund's policies with its private REIT peers and to reduce operational expenses for the Fund, resulting in net savings for investors. The updates include moving from bi-annual to annual third-party appraisals for each property and holding development projects at cost until construction is completed, with the caveat that if the Manager believes there is a material variance between Fair Market Value (FMV) and cost during construction, off-cycle valuation adjustments can be made.

For example, one property, Southerly at LoSo, was held below cost this quarter due to a material write-down in Q2 2025. Four other properties were moved to cost, with two properties seeing their values increase slightly and two properties seeing their values decrease slightly, relative to their Q2 FMV.

Other Q3 Updates

Project Development

HREIF currently has \$384 million of equity value (FMV) across 44 properties. Roughly \$95 million of that value is tied to five multifamily developments at different stages of construction and lease-up. These assets are scheduled for completion by December 2025. Below is a table detailing these investments and their timelines:

	Market	Units	Equity FMV	Completion
Citizen	Kansas City, MO	226	\$20.3M	9/2025
Boxcar	Spartanburg, SC	174	\$14.0M	9/2025
Oxley	Edmond, OK	276	\$16.9M	10/2025
Via	Kansas City, MO	193	\$16.7M	11/2025
Southerly	Charlotte, NC	403	\$26.7M	12/2025

Dispositions

In the third quarter, HREIF completed the sale of four properties, all of which generated capital gains:

	Market	Type	Proceeds
Mason Oliver	Phoenix, AZ	Multifamily	\$5.2M
Office Depot	Orange City, FL	Retail	\$6.4M
Carolina Pines	Columbia, SC	Industrial	\$9.3M
The Clearing	Kansas City, MO	Multifamily	\$23.5M

Gross property-level returns can be found in the Fund's track record.

These transactions were an important milestone as we work to strengthen near-term liquidity and reposition the portfolio for stabilized cash flow. Proceeds from the sales, combined with ongoing cash flow from direct-owned assets, enhance the Fund's liquidity and ability to reposition the portfolio, supporting future distributions and potential redemptions.

The Next Three Months

By year-end, we aim to make progress towards the following long-term goals:

1. **Strengthen the Fund's balance sheet** by continuing to reduce reliance on short-term debt, including

full retirement of the RLOC, while building cash reserves to support future growth, distributions, and redemptions.

2. Reposition the portfolio to **assets generating ~10%+ gross levered cash-on-cash returns** such that the Fund has a covered distribution over time.
3. **Reduce the exposure to multifamily** over time from 70%+ today to 50% or less while re-deploying into assets with strong levered cash flows and diverse tenant bases.
4. Provide investors with a **long-term 8% - 10% Net IRR through a minimum 5% covered distribution and NAV per \$1 growth of 3% - 5%.**

We plan to outline more details regarding this plan at the Annual Investor Meeting on November 13.

Humphreys Capital Updates

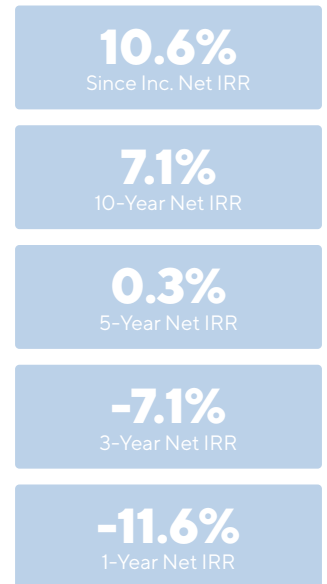
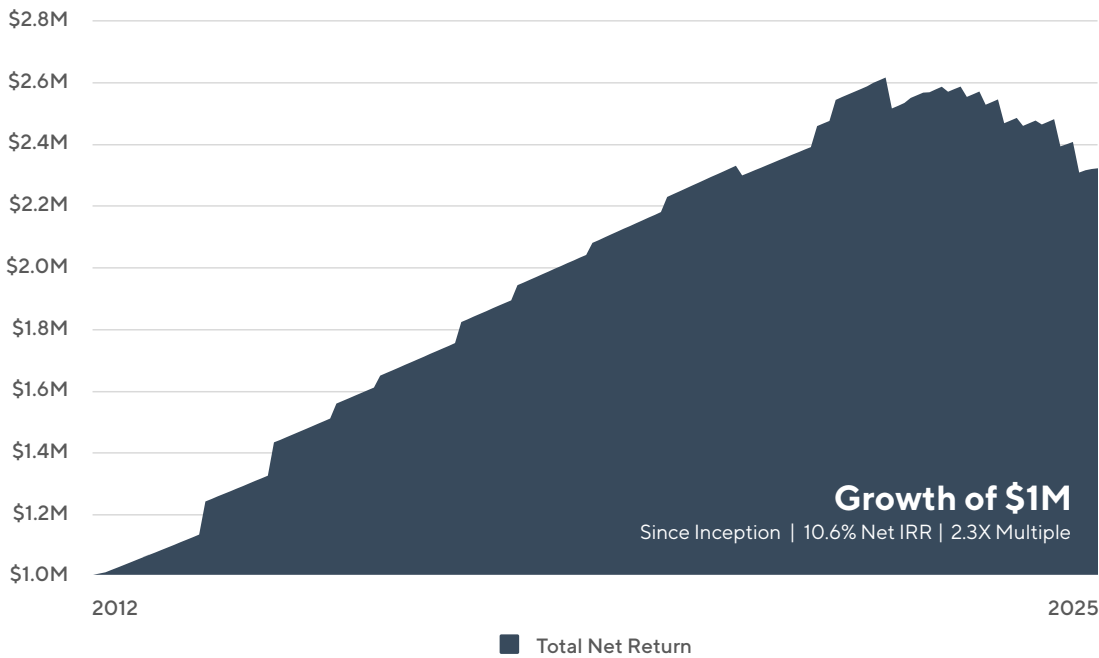
At the beginning of September, Humphreys Capital entered a new chapter of leadership. We are grateful for **Grant Humphreys'** service as interim CEO during this transition and are pleased that he now continues his leadership as Executive Chairman of the firm. **Max Myers** was appointed Chief Executive Officer, bringing proven experience and a steady hand to guide the firm's long-term vision. At the same time, **Tyson Williams** joined as General Counsel and Chief Compliance Officer, adding deep legal and compliance expertise that strengthens our governance and oversight. Together, these leadership updates reflect our continued commitment to disciplined stewardship, accountability, and positioning the firm for lasting success on behalf of our investors.

Alongside these internal updates, we also want to share information about a recent regulatory request. From time to time, State and/or Federal regulators request information from registered advisors as part of their oversight. Recently, Humphreys Capital, LLC (not HREIF) received a regulatory subpoena requesting information from the Oklahoma Department of Securities. We believe we are in full compliance with all State and Federal regulations, and do not anticipate any material impact to the Fund, its operations, or investments. Humphreys Capital is cooperating with the request from the Department and expects to provide additional information at the conclusion of their process.

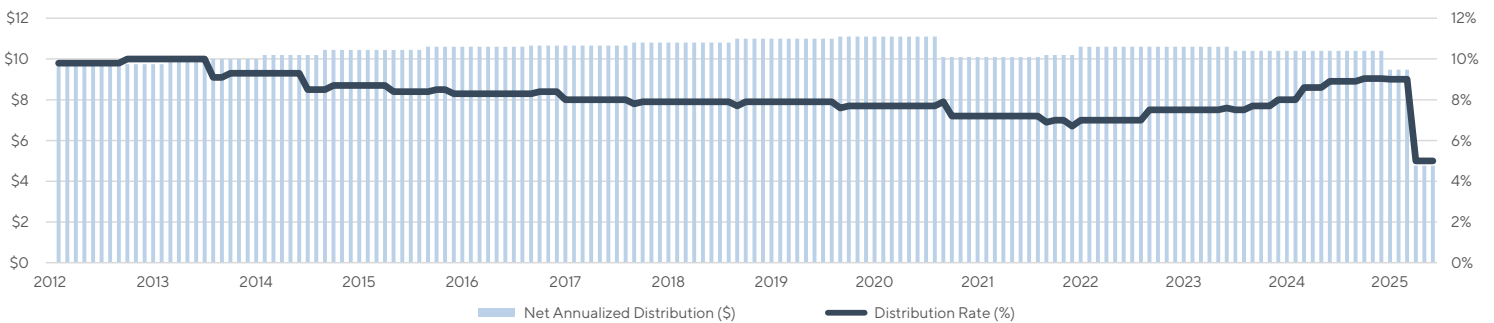
Closing

We are grateful for HREIF investors who share our long-term focus. We firmly believe that real estate remains a time-tested, tax-efficient, and inflation-hedged strategy for stewarding and generating wealth for generations. We are committed to transparent communication and stewardship for HREIF investors.

Performance⁵



Historical distribution rate per Series One Unit



Investment Rates⁶

Sector	Direct		Terminal		Discount	
	Q2	Q3	Q2	Q3	Q2	Q3
Multifamily	5.2%	5.2% ▬	5.7%	5.6% ▼	7.5%	7.3% ▼
Industrial	5.9%	5.9% ▬	6.4%	6.3% ▼	7.5%	7.4% ▼
Retail	7.3%	7.2% ▼	7.7%	7.5% ▼	8.4%	8.1% ▲
Office	8.0%	8.0% ▬	8.3%	8.5% ▲	9.5%	9.8% ▲
Hospitality	9.2%	9.2% ▬	9.7%	9.7% ▬	11.7%	11.7% ▬
Self-Storage	5.7%	5.7% ▬	6.2%	6.2% ▬	7.5%	7.5% ▬

The investment rates shown reflect weighted averages of the underlying property-level rates, with weights based on each asset's relative value within its sector.

Portfolio⁷

Sector Allocation

Multifamily		Retail		Industrial		Self Storage		Hospitality		Office	
Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3
74%	75% ▲	9%	9% —	7%	5% ▼	5%	5% —	4%	5% —	1%	1% —

Market Allocation (Top 5 MSAs)

Kansas City		Raleigh-Durham		Dallas-Fort Worth		Minneapolis		Charlotte	
Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3
19%	15% ▼	9%	10% ▲	9%	10% ▲	7%	7% —	6%	7% ▼

Property Status

Pre-Development		Under Construction		Capital Improvements		Lease Up		Stabilized	
Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3
1%	1% —	10%	11% ▲	0%	0% —	15%	17% ▲	74%	71% ▼

Fund Terms

Structure	Perpetual life private fund with subsidiary REIT	
Investor Suitability	Accredited Investors	
Minimum Initial Investment	\$500,000 \$100,000 for clients of approved financial advisor platforms	
Rolling Private Offering	<ul style="list-style-type: none"> Series One NAV per Unit updated on the first business day of each quarter Subscriptions must be received at least 15 days prior to the end of the quarter 	
Advisory Fee	0.65%	
Hurdle Rate	6% annualized (\$1) over trailing 36 months	
Shared Distribution	Manager's distributions (inclusive of the Advisory Fee) are capped at 25% of total distributions	
Tax Reporting	Form K-1; anticipated delivery in the summer of each year	
OFFERING	Series One Units (\$1)	Series Two Units (\$2)
Price Per Unit (Q4 2025)	\$95.17	\$78.04
Returns (Net IRR)	Since Inc: 10.6% 10-yr: 7.1% 5-yr: 0.3% 3-yr: -7.1% 1-yr: -11.6%	
Distribution Rate	5.0% of \$1 price, annualized	5.0% of \$2 price, annualized
Distributions ¹	<ul style="list-style-type: none"> Monthly (\$4.76/\$1); distributions are not guaranteed and are re-evaluated and approved by the HREIF Board of Directors each quarter Record date for monthly distributions is set by the Board as the 15th of each month 	<ul style="list-style-type: none"> Monthly (\$3.90/\$2); distributions are not guaranteed and are re-evaluated and approved by the HREIF Board of Directors each quarter Record date for monthly distributions is set by the Board as the 15th of each month
Redemptions ⁴	<ul style="list-style-type: none"> Quarterly after one-year lockup; 60 days written notice required The Fund can repurchase up to 2.5% of existing fund equity each quarter, and no more than 10% each year; redemptions are not guaranteed If redemption requests exceed quarterly capacity, redemptions will be processed on a pro-rata basis. Additionally, S1 investors have the option to convert into S2 and enter its redemption queue. 	<ul style="list-style-type: none"> Quarterly after 6/30/2030; 60 days written notice required The Fund can use up to 50% of quarterly S2 subscriptions to fulfill redemptions at the S2 price; redemptions are not guaranteed If requests exceed 50% of quarterly subscriptions, redemptions will be processed on a pro rata basis

Disclosures

The information in this report is provided for informational purposes only and should not be considered investment advice or a recommendation or solicitation of an offer to invest in any fund or security, including, but not limited to, Humphreys Real Estate Income Fund (the “Fund,” or “HREIF”). This information is confidential and is for the use of Humphreys Capital, LLC (“Humphreys Capital”) only. The information contained herein has been obtained from reliable sources, but it is not guaranteed for accuracy or completeness and has not been independently verified. All data as of 9/30/2025 unless otherwise noted.

There are a number of risks associated with real estate investing. In addition, there are a number of risks associated with investing in the Fund, and those risks are outlined in the Fund’s offering documents which should be read carefully and used as the offering document for any consideration of an investment in the Fund.

Past performance does not predict future returns. Performance information and certain projected or forecasted amounts contained in this report include assumptions that Humphreys Capital believes are reasonable under the circumstances. There is no guarantee that the conditions on which such assumptions are based will materialize as anticipated and will be applicable to these investments. Actual transaction conditions may differ from the assumptions, and such differences could be material. Among other assumptions, calculating projected or forecasted returns involves applying current market conditions and investment strategy with comparable historical results. Historic results are not reliable indicators of actual future performance of any particular investment or the Fund. Investors should be aware that: (1) projected or forecasted returns are hypothetical and do not reflect the impact that future material economic and market factors might have on the decision-making process, and (2) there is no guarantee that the projected or forecasted returns will be achieved. Target returns are aspirational in nature. No assumptions or criteria were used in their determination.

All values referenced in this presentation are informed by a third-party valuation, unless otherwise noted. Net returns include the deduction of all management fees, incentive fees and expenses paid during the time period reflected. Fair value, in accordance with the firm’s valuation policy, is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

This presentation includes a series of ratios as multiples on invested capital labeled by the following acronyms: distributions to paid-in (DPI), residual value to paid-in (RVPI), and total value to paid-in (TVPI). The net return to Limited Partners is presented as internal rate of return (IRR) and multiples on invested capital that are net of management compensation, fees, and expenses. Net returns from joint ventures are calculated as follows: Fund-level expenses are allocated pro rata to each asset based on equity investment as a year-end expense or at the date of realization in the applicable year during the life of the investment. The general partner’s carried interest is applied pro rata to each asset based on profit as an expense as of the date of realization or the date of calculation for unrealized properties. Gross returns from joint ventures present IRR and multiples on a gross basis and do not reflect management compensation through shared partnership distributions, fees, taxes, transaction costs and other expenses to be borne by investors in the Fund, which reduce the actual returns experienced by an investor. IRRs are calculated based on the timing of actual cash flows, including final proceeds for realized assets. Fair values are determined by Humphreys Capital, based on a good-faith analysis of relevant factors, including periodic appraisals in accordance with the Fund’s valuation policy. Actual returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein.

Any portfolio investments discussed in this presentation were selected based on objective, non-performance-based criteria and are not meant to be indicative or reflective of the portfolio or any fund managed by Humphreys Capital. Such cases are meant to exemplify the firm’s investment strategy and should be viewed as examples of the types of successful investing Humphreys Capital strives for. Not all investments are successful and profitable, and there is no guarantee that similar investments will be included in any fund managed by Humphreys Capital. Data on all properties can be provided upon request.

The selected images of certain properties in this presentation are provided for illustrative purposes only, are not representative of all HREIF investments of a given property type and are not representative of HREIF’s entire portfolio. It should not be assumed that HREIF’s investment in the properties identified and discussed herein were or will be profitable, and the properties were not selected based on performance. Please refer to HREIF’s Property Book for a complete list of HREIF’s current real estate investments, including HREIF’s ownership interest in such investments at the time of investment.

Endnotes

1. Monthly distributions are not guaranteed and are re-evaluated and approved by the HREIF Board of Directors each quarter. Record date for monthly distributions is set by the Board as the 15th of each month. The Distribution Rate is set by the manager and approved by the Board of Directors for the forward quarter.
2. Occupancy is an important real estate metric because it measures the utilization of properties in the portfolio. Occupancy is weighted by the total value of all real estate properties, excluding our hospitality investments and any third-party interests in such properties. For our industrial, storage, retail, office, and convenience investments, occupancy includes all leased square footage as of the date indicated. For our multifamily investments, occupancy is defined as the share of occupied units as a percentage of total unit count. Assets within an initial lease-up period following construction are excluded from the calculation. The lease-up period concludes upon stabilization, defined as 90% or greater physical occupancy, and no later than 12 months after completion.
3. Same-property NOI growth is calculated based on trailing NOI at 9/30/2025 and 9/30/2024 based on the most current reports of underlying investments. All properties are measured with the exception of properties that did not have at least 6 months of historical NOI data as of 9/30/2025. Joint venture NOI is allocated pro rata based on HREIF's equity in the property.
4. Redemptions are not guaranteed and are subject to a Redemption Policy as stated in the current Operating Agreement, which was amended and restated effective 12/31/2022. Prospective investors should read the policy in its entirety before making an investment decision.
5. Past returns are as of 9/30/2025. Internal Rates of Return ("IRR") are calculated based on a stream of cash flows, the date of each cash flow and the NAV per Series One Unit as of the calculation date. IRRs represent an annualized return but assume reinvestment of interim cash flows in projects with equal rates of return.
6. Direct cap rates estimate a property's value based on its income over a single year. Terminal cap rates represent the expected capitalization rate at the time of sale, typically several years into the future. Discount rates help determine the present value of future cash flows. Another way to think about the discount rate is as the return an investor requires to justify the risk of purchasing a property.
7. Portfolio data, including market, sector, and strategy allocation is as of 9/30/2025 and includes all properties in Humphreys Real Estate Income Fund. Total Asset Value (\$0.99B) is measured as the balance sheet assets of each fund (based on fair value) in addition to the pro rata share of debt based on the fund's contractual interest in joint ventures in accordance with the NCREIF PREA Reporting Standards (4/2023) calculation of Gross Asset Value. Projects are classified as Pre-Development, Under Construction, Capital Improvements, Lease-Up, or Stabilized. Capital Improvements applies only to value-add deals; development projects remain Under Construction until the first available units begin leasing, at which point they move into Lease Up and later into Stabilized once target occupancy is achieved.