

Q1 2026 Valuation Report



From top left: Southerly at LoSo, Via, Westin. From bottom left: Regatta at Lake Lynn, Mayfair Village.

HREIF Highlights

\$94.86

3/31/26 Series One Unit Price
from \$95.35 (-0.5%)

0.74%¹

Q1 Total Return
from 1.44%

5.0%²

Q2 Distribution Rate
from 5.0%

HREIF continues moving towards its goal of generating a long-term 8%-10% Net IRR, comprised of 5% annualized distribution and 3%-5% NAV/Share value growth. Our strategic focus remains unchanged:

- Sell low-conviction assets and manage leverage profile
- Reinvest proceeds into stabilized cash-flowing assets
- Maintain liquidity for distributions, redemptions, and investments

With this mandate in mind, we are encouraged by the Fund's continued progress toward stabilization and growth. This momentum is highlighted by the recent acquisition of two retail properties, Mayfair Village and Westchester Square. Both assets were stabilized at acquisition and are immediately accretive to the Fund's cash flow.

Price and Distribution

The Fund's valuation continues to be supported by independent third-party appraisals, reflecting the portfolio's current market value. The Series One Unit (S1) price decreased slightly during Q1 2026, moving from \$95.35 to \$94.86 (-0.5%). The change in S1 price was driven by:

	Q1 2026	Q4 2025
Beginning Net Asset Value	\$95.35	\$95.17
Recurring NOI of the Fund	\$0.71	\$0.60
Distributions	(\$1.24)	(\$1.23)
Interest & Expenses	(\$0.30)	(\$0.27)
Asset Valuation Adjustments	\$0.31	\$0.24
Debt Valuation Adjustments	(\$0.15)	(\$0.39)
Capital Events*	<u>\$0.18</u>	<u>\$1.23</u>
Ending Net Asset Value	\$94.86	\$95.35
<i>Distr. Coverage (NOI/Distr. + Int. + Exp.)</i>	<i>46.1%</i>	<i>40.0%</i>

* Capital Events include non-recurring Fund NOI, financial reconciliations, RSI redemptions, refinancing proceeds, and differences at sale between FMV and proceeds received.

Subscriptions and Redemptions³

Through the first-quarter offering, the Fund raised \$317K in equity and fulfilled \$9.32M in redemptions. (2.5% of S1 NAV).

The Series Two (S2) offering is currently open and available at a discount to Series One (S1). In Q2, S2 units may be purchased at \$81.58 per share, a 14% discount to S1. This pricing reflects a longer lock-up period through July 2030.

HREIF also offers a Distribution Reinvestment Program (DRIP), which may be attractive for long-term investors who do not require current cash distributions and who, like us, view this stage of the cycle as a compelling entry point. The DRIP enables investors to reinvest S1 distributions into additional shares, including the purchase of S2 units at the current discounted pricing, allowing for efficient dollar-cost averaging within the Fund.

Our Investor Relations team would be happy to provide further details regarding the DRIP.

Liquidity / Debt

The Fund ended the quarter with roughly \$30M of cash on hand. The Fund is currently targeting the disposition of two properties in the coming quarters, which is expected to provide additional liquidity.

During the quarter, HREIF obtained long-term financing on two properties, providing the Fund with incremental liquidity. The fund's weighted average maturity is now June 2028, and its weighted average interest rate is 5.25%.

Other Q4 Updates

Refinances and Dispositions

The Fund did not sell any assets during the quarter, but it did execute two financing transactions.

- **Arrowhead Refinance:** Long-term debt was placed on the property, which had previously been financed through the Fund's Revolving Line of Credit (RLOC), that was retired in 2025. The refinancing was supported by an appraisal that came back above Fair Market Value (FMV), unlocking \$6.4M in proceeds to enhance the Fund's liquidity. Arrowhead is a suburban office building in the Phoenix MSA, leased to 27 tenants, with a weighted average lease term (WALT) of 2.1 years.
- **Boxcar Tax Credit Monetization:** When Boxcar began development in 2023, the partnership entered into an agreement to sell the tax credits authorized under the South Carolina Textile Communities Revitalization Act, which provides a tax credit of up to 25% of

rehabilitation expenses for abandoned textile mill sites. The credits are granted once the Certificate of Occupancy is achieved, which the property received last quarter. The sale of the tax credits in February returned \$3.8M to the Fund.

New Investments

During the quarter, the Fund acquired Mayfair Village, a four-building neighborhood retail portfolio located along North May Ave in Oklahoma City. Redeveloped between 2019 and 2024, the asset is 100% leased with a 5.4-year WALT and benefits from strong daily traffic counts. The opportunity was sourced off-market, providing entry at a discount to comparable strip retail pricing. The surrounding submarket demonstrates stable fundamentals with low vacancy and limited new supply. Recent redevelopments reduce near-term CapEx needs, positioning the portfolio for steady cash flow.

Mayfair closed on March 11, 2026, and is expected to contribute to fund-level NOI immediately. The Fund is the sole owner of the property, investing \$6.1 million of equity alongside \$11.1M of debt (65% LTV).



The Firm is currently managing an active pipeline of investment opportunities similar to Mayfair Village and Westchester Square (acquired in 4Q25). Liquidity from dispositions and new equity will be used to execute on acquisitions of right-sized, stabilized, cash-flowing retail and industrial properties with levered yields north of the Fund’s projected distribution to investors. Such properties are immediately accretive to the Fund’s recurring NOI, and HREIF is a natural acquirer and long-term holder of properties requiring equity check sizes of \$5-15 million.

Lease-Up

The five multifamily developments now in lease-up, representing approximately 25% of the Fund’s equity, are all progressing, and we look forward to the spring and summer leasing season.

	Market	Completion	Equity FMV	Leased
Boxcar	GSP	9/2025	\$10.5M	50% (+12%)
Via	MCI	11/2025	\$17.0M	26% (+24%)
Southerly	CLT	12/2025	\$30.6M	48% (+24%)
Citizen	MCI	12/2025	\$21.5M	54% (+23%)
Oxley	OKC	12/2025	\$18.3M	44% (+16%)

Stabilized

Stabilized properties now represent 66.9% of the Fund’s portfolio and serve as the foundation for the Fund’s repositioning efforts. Occupancy across these properties has remained steady, reflecting continued tenant demand despite a more challenging leasing environment. While rent growth has been challenged, we are beginning to see operating expenses normalize, helping to support property-level performance.

Market Outlook

We believe the U.S. commercial real estate market is improving, though the recovery remains gradual and uneven across sectors.^I In recent months, we have seen debt capital become more accessible, and transaction markets have improved compared to this time last year. This is broadly consistent with CBRE’s view that U.S. investment volume could rise by 16% in 2026, with returns driven primarily by income, rather than capital gains.^{II} Even so, easier monetary policy has not yet fully flowed through to real estate financing. The Federal Reserve lowered the policy rate by a cumulative 50 basis points in the second half of 2025, but financial conditions have eased only gradually, and borrowing costs have only begun to edge lower.^{III}

The Federal Reserve’s dual mandate of maximum employment and price stability is becoming harder to balance as global volatility has increased and energy prices have risen sharply. Meanwhile, the Bureau of Labor Statistics reported that total nonfarm payroll employment declined by 92,000 in February, another sign of softer labor market conditions.^{IV} Long-term inflation expectations also remain unsettled, as reflected in the

I. National Association of REALTORS®, “January 2026 Commercial Real Estate Market Insights,” February 5, 2026, <https://www.nar.realtor/commercial-real-estate-market-insights/january-2026-commercial-real-estate-market-insights>; CBRE, “U.S. Real Estate Market Outlook 2026,” January 14, 2026, <https://www.cbre.com/insights/books/us-real-estate-market-outlook-2026>.

II. CBRE, “U.S. Real Estate Market Outlook 2026,” January 14, 2026, <https://www.cbre.com/insights/books/us-real-estate-market-outlook-2026>.

III. Federal Reserve, “Federal Reserve Issues FOMC Statement,” October 29, 2025, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20251029a.htm>; Federal Reserve, “Federal Reserve Issues FOMC Statement,” December 10, 2025, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20251210a.htm>.

IV. U.S. Bureau of Labor Statistics, “The Employment Situation—February 2026,” March 6, 2026, https://www.bls.gov/news.release/archives/empisit_03062026.htm.

persistently elevated long end of the U.S. Treasury curve.^V

Across the Fund's primary sectors, we believe retail presents the best current opportunity for new investment. CBRE continues to characterize retail fundamentals favorably, while Cushman & Wakefield, citing CoStar data, reports retail availability at a near-historical low of 4.8%.^{VI} That backdrop may support rent growth for well-positioned assets, and we continue to believe attractively yielding investments with durable income streams will support the Fund's repositioning efforts.

Industrial fundamentals have moderated over the past year, but CBRE still expects leasing activity to rise and vacancy to stabilize rather than materially deteriorate.^{II} Multifamily demand remains intact, though oversupply continues to pressure rent growth and occupancy in high-supply markets.^{II} With five multifamily properties currently in lease-up, we are focused on leasing terms that drive occupancy in an environment where concessions are common and rent growth is challenged. We believe the current backdrop supports a disciplined, income-oriented strategy.

Regulatory Update

In March, a regulatory review was completed on Humphreys Capital by the Oklahoma Department of Securities. The nearly six-month-long review was completed with no findings. Humphreys Capital continues its commitment to maintaining the highest standards of regulatory compliance and investor transparency.

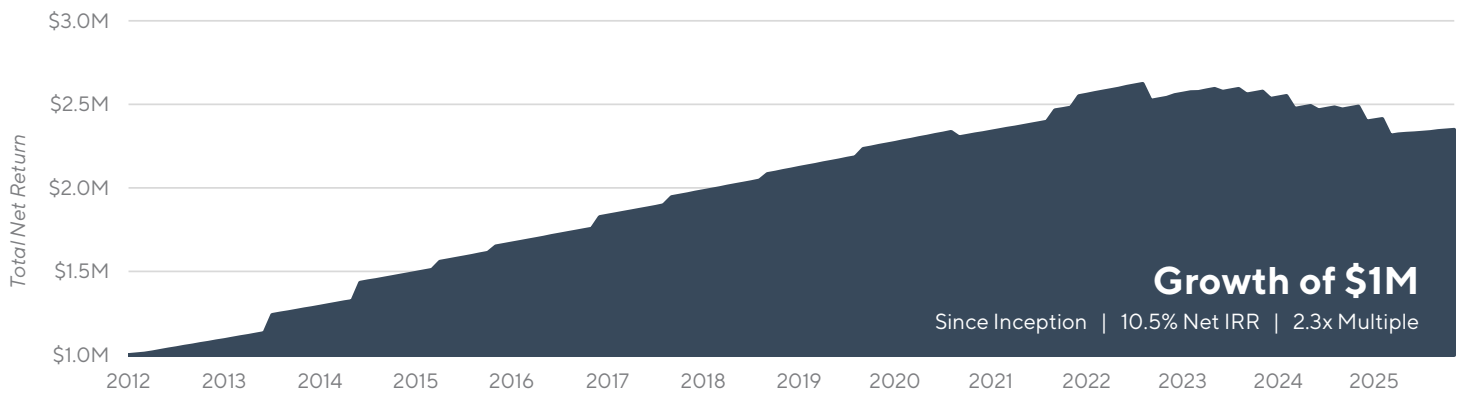
Closing

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.

V. Department of the Treasury, "Daily Treasury Long-Term Rates," https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_long_term_rate&field_tdr_date_value=2026

VI. Alanna Loeffler and Richard Latella, "Why Retail Remains a Compelling Investment Opportunity," Cushman & Wakefield, <https://www.cushmanwakefield.com/en/united-states/insights/why-retail-remains-a-compelling-investment-opportunity>, citing CoStar Group retail availability data.

Performance



Net IRRs

Since Inception	10-Year	5-Year	3-Year	1-Year
10.5% (from 10.6%)	6.5% (from 7.1%)	0.5% (from 0.8%)	-5.6% (from -4.8%)	-4.1% (from -11.0%)

Portfolio⁴

Sector Allocation

Multifamily	Retail	Industrial	Self Storage	Hospitality	Office
72.3% (from 73.1%)	12.4% (from 11.1%)	5.0% (from 5.3%)	4.8% (from 5.0%)	4.5% (from 4.6%)	1.0% (from 1.0%)

Market Allocation (Top 5 MSAs)

Kansas City	Dallas-Fort Worth	Charlotte	Oklahoma City	Atlanta
17.9% (from 17.8%)	9.2% (from 9.5%)	8.6% (from 8.0%)	8.6% (from 7.0%)	7.1% (from 7.3%)

Property Status

Stabilized	Lease-Up	Capital Improvements	Non-Stabilized	Pre-Development
66.9% (from 66.9%)	30.5% (from 30.4%)	0% (from 0.0%)	1.6% (from 1.0%)	1.0% (from 1.1%)

Fund Health⁵

93.4% Occupancy from 93.5%	0.6% Same Property NOI Growth from -1.7%	46.1% Distribution Coverage from 40.0%	45 Portfolio Properties from 45
\$1.0B Total Asset Value (TAV) from \$973M (3.1%)	67% Total Effective Leverage from 65%	6/2028 Weighted Average Maturity from 5/2028	\$30.7M Fund Level Liquidity from \$43.7M

Investment Rates⁶

Sector	Direct		Terminal		Discount	
	Q4 '25	Q1 '26	Q4 '25	Q1 '26	Q4 '25	Q1 '26
Multifamily	5.3%	5.3% —	5.7%	5.7% —	7.3%	7.3% —
Industrial	5.8%	6.2% ▲	6.3%	6.6% ▲	7.3%	7.6% ▲
Retail	7.3%	7.3% —	7.5%	7.5% —	8.1%	8.1% —
Office	8.0%	8.0% —	8.5%	8.5% —	9.8%	9.5% ▼
Hospitality	9.2%	9.2% —	9.7%	9.2% ▼	11.7%	11.2% ▼
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.

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 (Q2 2026)	\$94.86	\$81.58
Returns (Net IRR)	Since Inc: 10.5% 10-yr: 6.5% 5-yr: 0.5% 3-yr: -5.6% 1-yr: -4.1%	
Distribution Rate	5.0% of \$1 price, annualized	5.0% of \$2 price, annualized
Distributions¹	<ul style="list-style-type: none"> Monthly distributions (\$4.74/\$1 ann.); 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 distributions (\$4.08/\$2 ann.); 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
Redemptions⁴	<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. 	<ul style="list-style-type: none"> Quarterly after 6/30/2030; 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.

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 3/31/2026 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. Past returns are as of 3/31/2026. 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.
2. Monthly distributions are not guaranteed and are re-evaluated and approved by the HREIF Board of Directors each quarter. The 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.
3. 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.
4. Portfolio data, including market, sector, and strategy allocation, is as of 3/31/2026 and includes all properties in Humphreys Real Estate Income Fund. Total Asset Value (\$1.0B) 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.
5. The Fund Health section contains numerous metrics that measure various elements of the portfolio. The elements and details pertaining to the specific calculations are described below.
 - 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 hospitality investments and any third-party interests in such properties. For industrial, storage, retail, office, and convenience investments, occupancy includes all leased square footage as of the date indicated. For 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.
 - Same-property NOI growth is calculated based on trailing NOI at 3/31/2026 and 3/31/2025 using the most current reports of underlying investments. All properties are measured except those that did not have at least six months of historical NOI data as of 3/31/2026. Joint venture NOI is allocated pro rata based on HREIF’s equity in the property.
 - Distribution Coverage represents the portion of the Fund’s distribution that is supported by recurring net operating income and is calculated as recurring net operating income (NOI), divided by distributions paid during the quarter, plus fund-level fees and interest expense. For joint venture partnerships, recurring NOI reflects property-level income after operating expenses and debt service, but before capital expenditures and capital events. For directly owned properties, recurring NOI reflects property-level income after operating expenses, but before debt service, capital expenditures, and capital events. Distribution Coverage is intended to provide an indication of the portion of distributions funded by the Fund’s recurring NOI, after fund-level expenses and interest expense, at a point in time. This metric may fluctuate based on changes in occupancy, rental rates, operating expenses, and asset composition. This calculation was refined subsequent to its initial publication on January 2, 2026. The prior methodology was defined as recurring NOI less fund-level fees and interest expense, divided by cash distributions paid during the quarter. Management believes the current methodology is more in-line with the metrics used by comparable Funds.
 - Total Asset Value is calculated as defined in endnote 4.
 - Total Effective Leverage measures the degree of leverage employed across the portfolio and is calculated as total debt (including the Fund’s pro rata share of joint venture debt) divided by Total Asset Value. This metric reflects the economic leverage exposure of the Fund and provides insight into balance sheet risk, capital structure, and sensitivity to changes in interest rates and asset values.
 - Weighted Average Maturity represents the weighted average remaining terms of the Fund’s outstanding debt obligations, based on the principal balance of each loan. This metric provides an indication of refinancing risk and the timing of future debt maturities across the portfolio.
 - Fund Level Liquidity represents cash held by the Fund plus the undrawn capacity of the revolver.
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 and represent the return an investor requires to justify the risk of purchasing a property.