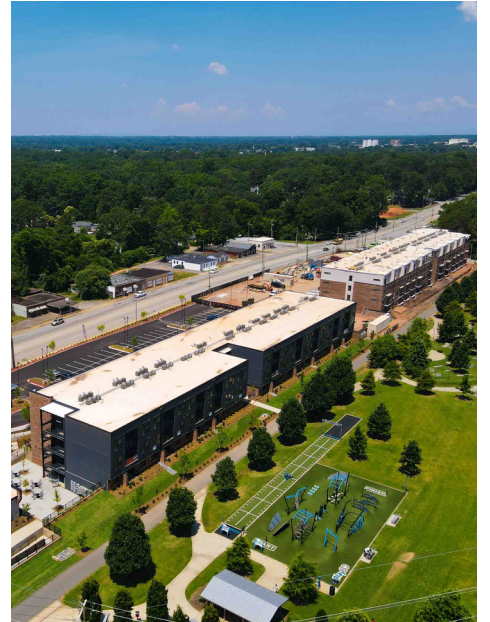


# Q4 2025 Valuation Report



# HREIF Highlights

## \$95.35

12/31/25 Series One Unit Price

from \$95.17 (+0.2%)

## 1.44%<sup>1</sup>

Q4 Total Return

from 1.43%

## 5.0%<sup>2</sup>

Q1 Distribution Rate

from 5.0%

Progress continues toward the goals laid out at the HREIF annual meeting in November. HREIF's long-term goal is to generate an 8%-10% Net IRR, comprised of 5% annualized distribution and 3%-5% NAV/Share value growth. In moving to a covered distribution model, our strategic focus remains unchanged:

### Sell low-conviction assets and manage leverage profile

The Fund sold Aura 509 for 18.9% above Fair Market Value (FMV), and returned \$19.1M in proceeds. Fund liquidity improved but total fund leverage increased modestly following the strategic replacement of the fund's Revolving Line of Credit with a long-term, fixed-rate via SWAP, term loan on 11 stabilized properties.

### Reinvest proceeds into stabilized cash-flowing assets

HREIF invested in Westchester Square, a stabilized asset in Kansas City that is underwritten to generate a double-digit cash flow yield.

### Maintain liquidity for distributions, redemptions, and investments

HREIF ended 2025 with \$43.7M of cash and expects to add to that through select dispositions in 2026.

We are pleased with the progress made in Q4 and are focused on the business plan heading into 2026.

### Price and Distribution

The Fund's valuation continues to be supported by independent third-party appraisals, reflecting the current market value of the portfolio. The Series One Unit (S1) price increased during Q4 2025, moving from \$95.17 to \$95.35 (+0.2%). The change in S1 price was driven by:

	Q4 2025	Q3 2025
Beginning Net Asset Value	\$95.17	\$95.34
Recurring NOI of the Fund	\$0.60	\$0.71
Distributions	(\$1.23)	(\$1.54)
Interest & Expenses	(\$0.27)	(\$0.30)
Asset Valuation Adjustments	\$0.24	\$1.64
Debt Valuation Adjustments	(\$0.39)	(\$0.58)
Capital Events*	<u>\$1.23</u>	<u>(\$0.10)</u>
Ending Net Asset Value	\$95.35	\$95.17

During the quarter, the Fund distributed \$1.19/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).**

### Subscriptions and Redemptions<sup>3</sup>

In 2025, HREIF raised \$6.0M in new equity and fulfilled \$12.3M in redemptions. Through the fourth quarter offering, the Fund raised \$91.8K of new equity and fulfilled \$9.5M in redemptions. (2.5% of Fund NAV).

### Liquidity / Debt

During the quarter, HREIF retired its revolving credit facility and secured new term financing backed by stabilized assets, materially improving balance sheet stability and lowering interest costs. The Fund's weighted average interest rate is now 5.2%. Additionally, the refinancing of three assets generated incremental liquidity and helped extend the portfolio's weighted average maturity from August 2027 to May 2028.

### Other Q4 Updates

#### Dispositions

During the quarter, HREIF completed the sale of Aura 509, a 2023-vintage multifamily property in Durham, North Carolina. As of September 30, 2025, the Fund's equity position in Aura 509 was valued at \$16.1M, and the Fund received net sale proceeds of \$19.1M, an 18.9% increase. The transaction also exceeded the Broker Opinion of Value (BOV), reflecting disciplined execution in a selective transaction environment.

Proceeds from the sale enhanced the Fund's liquidity and increased flexibility to advance the portfolio's ongoing repositioning initiatives, while also supporting distributions and Series One redemption activity.

#### New Investments

During the quarter, HREIF invested in Westchester Square, a 163,877 square-foot community retail center located in Lenexa, Kansas, a high-income suburb of Kansas City. The property, originally developed in 1986, is anchored by Hy-Vee and benefits from strong daily traffic counts of approximately 36,000 vehicles per day.\*\*

The investment closed in December 2025, with the Fund

\* Capital Events include non-recurring Fund NOI, financial reconciliations, RS1 redemptions, refinancing proceeds, and differences at sale between FMV and proceeds received.

\*\* Vehicle traffic data is sourced from CoStar using TrafficMatrix Products.

acquiring a 75% equity interest for approximately \$5.9 million alongside a local operating partner. Westchester Square is 85% occupied and has cash flows that will immediately contribute toward the goal of covering the portfolio's distribution while also offering near-term upside through lease-up and capital improvements.



### Lease-Up

The Fund's five multifamily development projects, representing approximately \$95 million of equity value, have now reached the end of construction and are in various stages of lease-up. Property management teams remain focused on growing occupancy in the pursuit of long-term stabilization, with leasing strategies adjusted to reflect current market conditions. Notably, Southerly at Loso, the 403-unit multifamily property in Charlotte, reached completion in November and is already 24% leased.

	Market	Completion	Equity FMV	Occupancy
<b>Hemingway</b>	Minneapolis, MN	1/2024	\$10.1M	47%
<b>Citizen</b>	Kansas City, MO	12/2025	\$20.9M	31%
<b>Boxcar</b>	Spartanburg, SC	9/2025	\$14.0M	38%
<b>Oxley</b>	Edmond, OK	12/2025	\$17.3M	28%
<b>Via</b>	Kansas City, MO	11/2025	\$17.0M	2%
<b>Southerly</b>	Charlotte, NC	12/2025	\$30.6M	24%

### Operating Performance and Asset Management

The investment team has been increasingly engaged across assets in active lease-up, with an emphasis on leasing execution and accountability. Leasing performance is reviewed in detail on a recurring basis, and a structured performance evaluation process is being implemented to assess results relative to underwriting expectations. For example, at Highland Way, one of the portfolio's most challenged assets by FMV, leasing

progress is monitored weekly, with rents and concessions actively adjusted to support occupancy as the property approaches a significant renewal wave in March.

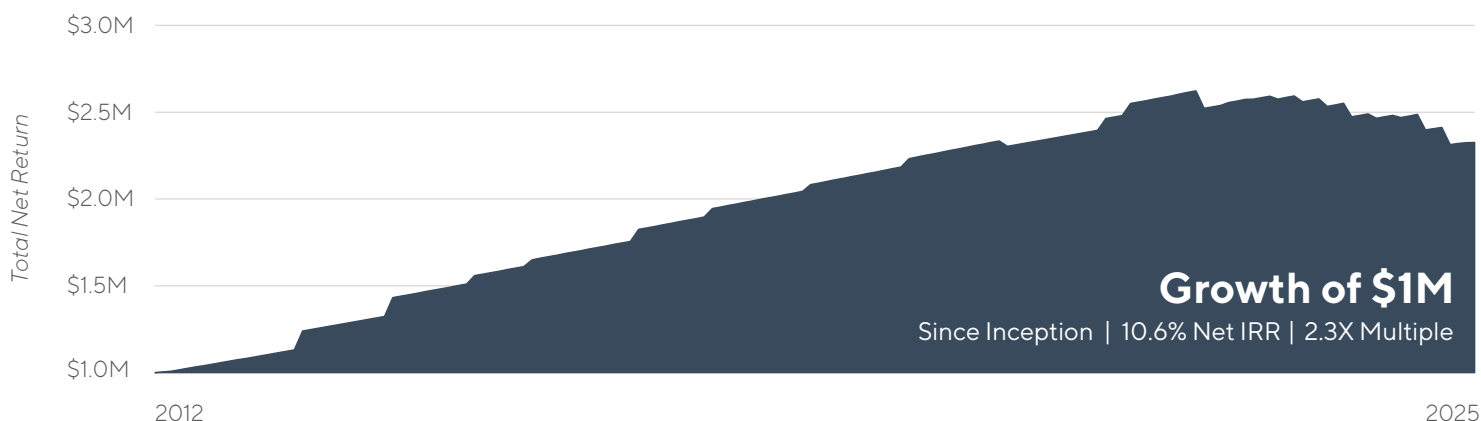
In addition to the successful retirement of the revolving line of credit, the team completed property-level refinancings at Corsicana, Tenmark, WCC, and ECC, improving cash-on-cash returns and generating incremental liquidity through cash-out proceeds.

Asset management initiatives also delivered meaningful reductions in operating expenses. Back at our Highland Way example, annual insurance premiums were reduced from approximately \$273,000 to \$160,000 earlier this year, reflecting proactive negotiation and improving market conditions. The team continues to advance tax appeal and abatement efforts across the portfolio, including a successful reduction in assessed value at Bowery I and a multi-year assessment freeze at Matadora, supporting improved operating efficiency and reinforcing long-term cash flow durability.

### 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.

# Performance



## Net IRRs

Since Inception	10-Year	5-Year	3-Year	1-Year
10.6% (from 10.6%)	7.1% (from 7.1%)	0.8% (from 0.3%)	-4.8% (from -7.1%)	-11.0% (from -11.6%)

# Portfolio<sup>4</sup>

## Sector Allocation

Multifamily	Retail	Industrial	Self Storage	Hospitality	Office
73.1% (from 74.8%)	11.1% (from 9.1%)	5.3% (from 5.4%)	5.0% (from 4.9%)	4.6% (from 4.9%)	1.0% (from 1.0%)

## Market Allocation (Top 5 MSAs)

Kansas City	Dallas-Fort Worth	Charlotte	Minneapolis	Atlanta
17.8% (from 15.4%)	9.5% (from 9.6%)	8.0% (from 7.2%)	7.5% (from 7.4%)	7.3% (from 7.1%)

## Property Status

Stabilized	Lease-Up	Capital Improvements	Non-Stabilized	Pre-Development
66.9% (from 70.7%)	30.4% (from 16.7%)	0% (from 0.0%)	1.0% (from 0.0%)	1.1% (from 1.0%)

# Fund Health<sup>5</sup>

<b>93.5%</b> Occupancy from 94.0%	<b>-1.7%</b> Same Property NOI Growth from -2.3%	<b>26.8%</b> S1 Distribution Coverage from 26.6%	<b>45</b> Portfolio Properties from 44
<b>\$973M</b> Total Asset Value (TAV) from \$989M (-1.6%)	<b>65%</b> Total Effective Leverage from 62%	<b>5/2028</b> Weighted Average Maturity from 8/2027	<b>\$43.7M</b> Fund Level Liquidity from \$0.3M

# Investment Rates<sup>6</sup>

Sector	Direct		Terminal		Discount	
	Q3	Q4	Q3	Q4	Q3	Q4
Multifamily	5.2%	5.3% ▲	5.6%	5.7% ▲	7.3%	7.3% —
Industrial	5.9%	5.8% ▼	6.3%	6.3% —	7.4%	7.3% ▼
Retail	7.2%	7.3% ▲	7.5%	7.5% —	8.1%	8.1% —
Office	8.0%	8.0% —	8.5%	8.5% —	9.8%	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.

## Fund Terms

<b>Structure</b>	Perpetual life private fund with subsidiary REIT
<b>Investor Suitability</b>	Accredited Investors
<b>Minimum Initial Investment</b>	\$500,000 \$100,000 for clients of approved financial advisor platforms
<b>Rolling Private Offering</b>	<ul style="list-style-type: none"> <li>Series One NAV per Unit updated on the first business day of each quarter</li> <li>Subscriptions must be received at least 15 days prior to the end of the quarter</li> </ul>
<b>Advisory Fee</b>	0.65%
<b>Hurdle Rate</b>	6% annualized (\$1) over trailing 36 months
<b>Shared Distribution</b>	Manager's distributions (inclusive of the Advisory Fee) are capped at 25% of total distributions
<b>Tax Reporting</b>	Form K-1; anticipated delivery in the summer of each year

OFFERING	Series One Units (\$1)	Series Two Units (\$2)
<b>Price Per Unit (Q1 2026)</b>	\$95.35	\$80.09
<b>Returns (Net IRR)</b>	Since Inc: 10.6%   10-yr: 7.1%   5-yr: 0.8%   3-yr: -4.8%   1-yr: -11.0%	
<b>Distribution Rate</b>	5.0% of \$1 price, annualized	5.0% of \$2 price, annualized
<b>Distributions<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Monthly (\$4.77/\$1); distributions are not guaranteed and are re-evaluated and approved by the HREIF Board of Directors each quarter</li> <li>Record date for monthly distributions is set by the Board as the 15th of each month</li> </ul>	<ul style="list-style-type: none"> <li>Monthly (\$4.00/\$2); distributions are not guaranteed and are re-evaluated and approved by the HREIF Board of Directors each quarter</li> <li>Record date for monthly distributions is set by the Board as the 15th of each month</li> </ul>
<b>Redemptions<sup>4</sup></b>	<ul style="list-style-type: none"> <li>Quarterly after one-year lockup; 60 days written notice required</li> <li>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</li> <li>If redemption requests exceed quarterly capacity, redemptions will be processed on a pro-rata basis.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly after 6/30/2030; 60 days written notice required</li> <li>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</li> <li>If redemption requests exceed quarterly capacity, redemptions will be processed on a pro-rata basis.</li> </ul>

# 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 12/31/2025 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. Past returns are as of 12/31/2025. 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.
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 12/31/2025 and includes all properties in Humphreys Real Estate Income Fund. Total Asset Value (\$0.97B) 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 12/31/2025 and 12/31/2024 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 12/31/2025. 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 covered by recurring net operating income and is calculated as recurring net operating income (NOI) less fund-level fees and interest expense divided by cash distributions paid during the quarter. For joint venture partnerships, recurring NOI reflects property-level income after operating expenses and debt service but before capital expenditures and capital events. For direct 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 distribution funded by the recurring NOI of the fund after fund level expenses and interest expense at a point in time and may fluctuate based on changes in occupancy, rents, operating expenses, and asset mix.
  - 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.