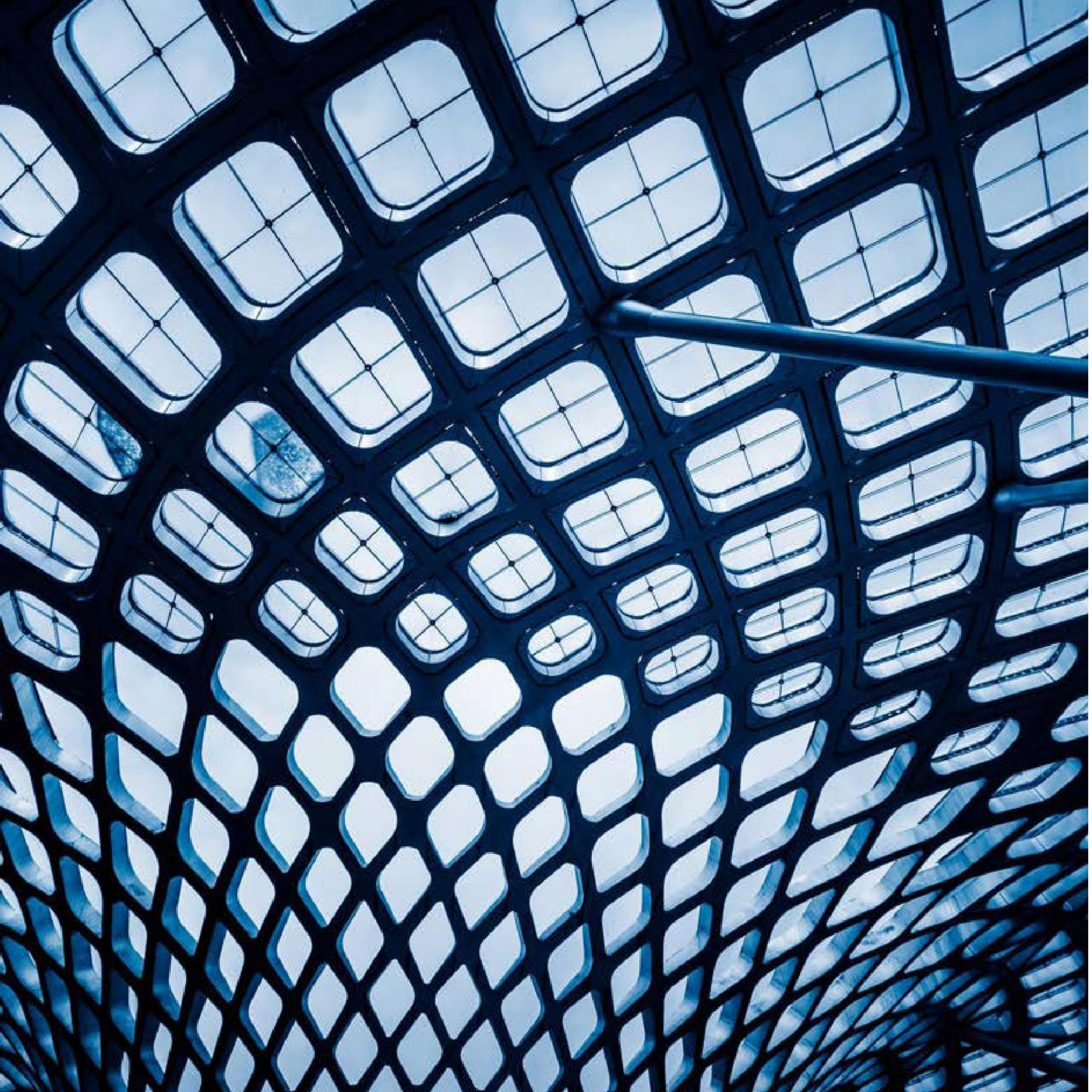


Manulife
Investment Management

Real Estate House View

Mid-Year 2026

August 2026

What you'll *find*

Americas Manulife IM RE North America Research & Strategy

Victor Calanog
Managing Director & Co-Head

Erin Patterson
Managing Director & Co-Head

Cornelia Le
Director

Caroline Suarez
Senior Associate

Cassidy Toth
Director

Hsaio-shan Yang
Director

Executive Summary

Key themes/takeaways

Executive Summary

2026 Investment Strategy Guideposts

MANULIFE INVESTMENT MANAGEMENT IS AN EARLY MOVER: COMPETITIVE ADVANTAGE STEMS FROM RECOGNIZING AND OPERATIONALIZING EMERGING INVESTMENT THEMES BEFORE THEY BECOME MAINSTREAM

01 REAL ESTATE RESILIENCE

Investors continue to emphasize risk-adjusted returns in an environment where real estate allocation is challenged — real estate is nimble, resilient, and well-positioned amid uncertainty.

02 AI & DIGITAL ADJACENCY

Real estate offers differentiated AI exposure via adjacency — markets and sectors benefiting from tech-driven investment and multiplier effects.

03 DEMOGRAPHIC CURRENTS

Migration, aging, and new household formation are reshaping demand and real estate consumption, creating new real estate "centers of gravity."

04 NEXT-GEN INDUSTRIAL

Modern facilities will power industrial momentum as third-party logistic demand and supply-chain reconfiguration accelerates along with high-technology and automation adoption.

05 POWERED BY INFRASTRUCTURE

The strongest durability will be where power, fiber, and transport investment unlock new, scalable markets, driving expansion.

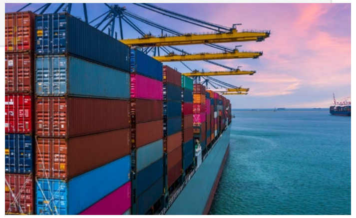
06 ENERGY TRANSITION

Avenues are opening for climate-resilient and decarbonization strategies, enhancing asset performance through protecting income and mitigating physical/regulatory risk.

Leveraging Disruption To Uncover Opportunity

WHAT'S POWERING OUR CONVICTION

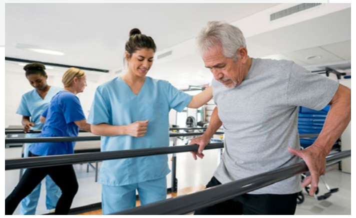
Supply Chain Re-org
Strategic restructuring — including reshoring and supply-chain reconfiguration — opens up direct and adjacent investment opportunities.



Technology-led Reset
AI is redefining how people and organizations use space and execute operations, emphasizing adaptability and AI-adjacency.

Income Alignment
Investing at the intersection of income distribution, affordability, and strongest demand drives competitive risk-adjusted returns.

Longevity Economy
An aging demographic is central to future demand, fueling durable growth in healthcare, housing, and wellness-oriented retail.



Tested & Durable Strategy
Out of shocks comes opportunity — investment strategies to circumvent uncertainty and volatility are proving out.

WHERE WE INVEST WITH CONVICTION

Industrial
- Small-bay infill
- AI / data-center proximate
- Big-box intermodal / transit-proximate hubs
- Port-proximate or strategic spoke cold-storage, select U.S. IOS

Retail
- Grocer-anchored centers
- Essential, healthcare-oriented, and value-oriented in-line tenancy
- Regional, high-density, diversified population centers

Residential
- Market-rate in high-density, high-growth population centers
- Affordable / Attainable in essential-worker hubs
- Senior living reflective of area population
- Campus-proximate student housing

Executive Summary

Beyond Beta: Sourcing, Selection, Structure & Strategy

CONVENTIONAL INSTITUTIONAL INVESTMENT PROCESS

SOURCING

- Broker-led, on-market
- Direct-to-owner, off-market, developer relationships
- Partner/consultant networks

SELECTION

- Institutional-focus
- Fixed investable universe / market-level
- Model portfolio allocation
- Proven-out sectors

STRUCTURE

- Liquidity & reporting rights
- Co-investment provisions
- Alignment mechanisms
- Capital call flexibility

STRATEGY

- Optimize occupancy, rent growth & tenant retention
- Repositioning, capital allocation & value creation
- Portfolio construction, business plan execution, cost control & disposition

HOW WE EXECUTE AND MANAGE DIFFERENTLY TO GENERATE ALPHA

PLATFORM INTEGRATION

Leveraging our global platform experts and data engine to access nuanced opportunities requiring tax, governance, affordability, or management expertise.

HYPER-LOCAL & CURATED

Market, micro-market and asset selection using differentiated features, trends and proprietary data engine to identify bespoke opportunity sets.

CAPITAL STACK DESIGN

Tailored risk positioning across the capital stack to improve downside protection while preserving upside; emphasis on flexibility to achieve specific allocation targets.

RECYCLE & REPOSITION

Improve portfolio quality and reset risk profile through recycling out of older vintages and taking value-add risk in primary markets and high-barrier micro-markets.

SCALE & OPTIONALITY

Reputation among robust network attracts complexity that limits competition; including multi-asset, multi-market recapitalizations, and platform acquisitions.

DIVERSIFICATION

Future-focused perspective advanced by proprietary modeling diversifies resilience and risk across a broad spectrum of sectors, including scalable Alternatives.

SOLUTION ORIENTED

Providing capital solutions to owners/developers with liquidity constraints; structure deals, divestments and recaps around counterparties' unique objectives.

EMBEDDED INSIGHT

Deep connectivity to assets and tenants that proactively informs asset management decisions and operational strategy*; market presence that drives accountability.

Notes:
*Driving alpha through active asset management: NOI growth, tenant retention and lease optimization, property tax and operating expense management, service provider accountability, budgeting, forecasting and variance analysis.

The Property Type Investment Spectrum Is Expanding

TRANSFORMATION IN THE WAY WE USE SPACE IS RECATEGORIZING COMMERCIAL REAL ESTATE. GROWING ASSET DIVERSITY REQUIRES BROADER, MORE DYNAMIC RISK FRAMEWORKS TO CONSIDER A RANGE OF DRIVERS AND MITIGATION TACTICS.

Structural forces

Four forces reshaping how space is used

Deglobalization
Reshoring & supply-chain security

Digitalization
Data, connectivity & automation

Decarbonization
Energy transition & efficiency

Demographics
Aging, formation & migration

Live	Multifamily (Market Rate) · Student Housing* · Senior Housing / Active Adult* · Affordable / Attainable Housing · Hospitality · Manufactured Housing · BTR*
Manage & Optimize	Self-Storage* · IOS* · Truck Terminals* · Data Centers* · Cold Storage*
Procure & Secure	Warehouse & Distribution · Retail / Power Centers (Incl. experiential retail centers)
Produce & Create	Office · Studio*
Innovate	Manufacturing · Medical Office · Bio-Industrial* · Life-science* · Ambulatory*

Notes:
* Alternatives.
Certain sub-types support multiple purposes (e.g., Hospitality may fall in Live or Procure & Secure; Data Centers may satisfy Manage & Optimize, and Innovate)
Source: Manulife IM Real Estate Research & Strategy.

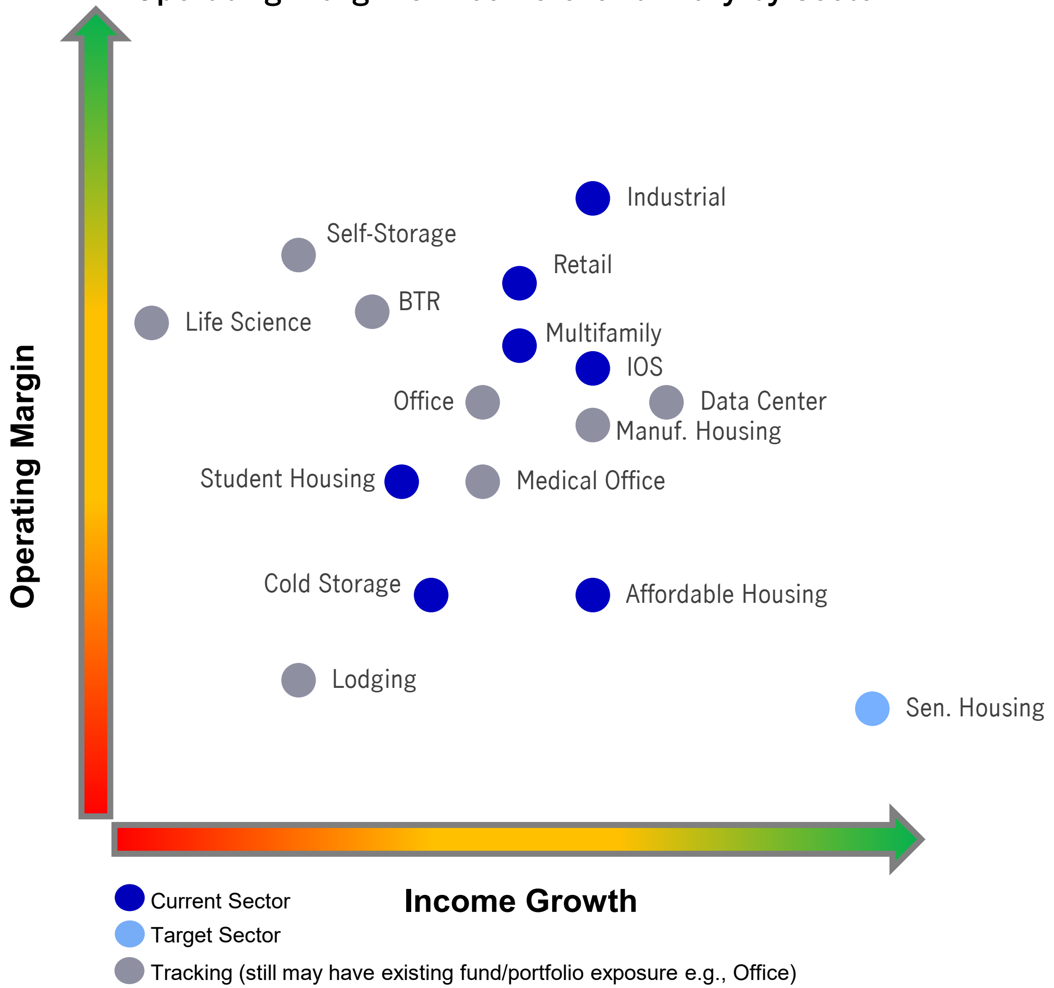
Diversified Allocation To High Conviction Sectors & Alternatives

DIFFERENT PROPERTY SECTORS EXHIBIT DISTINCT COMBINATIONS OF ECONOMIC SENSITIVITY, CAPITAL INTENSITY, OPERATING EFFICIENCY AND NOI.

- Focusing on **four key performance factors,** sector selection is curated to reflect a blend of attributes to achieve the optimal portfolio-level risk-adjusted return.
- Sector **economic sensitivity** and **capital intensity** should vary across a portfolio to mitigate risk and enhance value creation.
- Economic sensitivity reflects cyclical response, not favorability – more sensitive sectors can be attractive when paired with stronger growth or margin profiles to balance portfolio outcomes.
- **Operating margin** and **income growth** greater in magnitude is favorable, yet balance is also critical.
- Positioning is not structurally fixed by sector and by attribute. For instance, office assets today may have higher capital intensity compared with historical trends.
- **Target investments**: traditional and alternative adjacent sectors impacted by digital adjacency, infrastructure investment, next-gen industrial and demographic currents.

In an environment where income growth is critical, we believe a balanced blend of attributes is essential to achieving value-add return potential within a core/core+ risk profile.

Operating Margin & Income Growth Vary by Sector



Source: Manulife Investment Management, Real Estate Research & Strategy. Definitions: Economic Sensitivity: Beta measures the sensitivity of the change in rents and occupancy to changes in the economy. Capital Intensity: Capital-expenditure intensity measures capital expenditure as a percentage of NOI. Operating Margin Strength: NOI margin measures NOI as a percentage of revenue. Income Growth: NOI growth is forecasted for near-term ('27-'30).

Investment Strategy & Go-Forward

Investment Strategy & Go-Forward

U.S. Economy & Commercial Real Estate Markets

MODEST GROWTH AND RESILIENCY SUPPORTED BY CONSUMERS AND INVESTMENT.

GDP Momentum
- Resilient consumer spending and AI investment support ~1.8% annualized growth this year, with energy-driven inflation and geopolitics acting as a damper.[1]

CPI Trajectory
- Inflation has reaccelerated to 3.5% in June due to tariffs, energy, and AI demand.[2]
- The path ahead remains volatile and uncertain, complicated by the Middle East conflict.

Labor Market
- The labor market is balanced and showing signs of stabilization, adding 552,000 jobs in the first half of 2026.[3]
- But labor supply challenges still weigh on growth.

Policy
- Fed likely to hold rates steady in '26 amid inflation and better-balanced labor conditions.[1]
- But markets price in hikes amid volatile energy-driven inflation.[4]

Sector trends informing market & asset selection

- **Residential fundamentals are stabilizing** but remain heavily influenced by excess supply, with measured but resilient demand not yet strong enough to fully clear excess inventory.
- **Industrial is moving through a cyclical reset** with still elevated vacancy but moderating new supply and demand that has proven more resilient than expected despite uncertainty.
- **Retail benefits from low vacancy, limited supply, and surprisingly resilient consumption,** supporting balance despite an uncertain macro backdrop.
- **Office supply contraction is a key tailwind**. Though a sustainable recovery will take time, the number of lease transactions has recovered, and AI is boosting demand near term.
- **Industrial Outdoor Storage plays key role in supply chains**, with demand broadening to growing uses related to AI infrastructure and advanced manufacturing.
- **Cold Storage supply growth is moderating but operating environment will remain challenging** amid inflationary pressures. Structural demand intact amid a cyclical reset.

1 "US: The economy is warming up, but there are few signs of overheating." Oxford Economics. 7.8.2026. 2 U.S. Bureau of Labor Statistics. July 2026. 3 U.S. Bureau of Labor Statistics. July 2026. 4 "The Next Fed Rate Hike May Be Coming Soon." Seeking Alpha. 7.26.2026.

Key Investment Themes

- Aging, AI and affordability reshape demand
- Proven strategies built for uncertainty and shocks
- Constrained supply supports income growth
- Unlocking opportunities and value through creative structuring and sourcing

2026 Execution Strategy

Capital markets stalled amid weaker system-wide liquidity, but strong deal level financing creates selective acquisition opportunities. Buyers remain disciplined, focusing on higher-quality, durable cash flowing assets at discounts to peak pricing, while selectively recycling capital into recession-resilient and necessity-based sectors.

Canada Economy & Commercial Real Estate Markets

STAYING AFLOAT THROUGH MID-YEAR DESPITE SEEMINGLY RELENTLESS HURDLES.

GDP Momentum

- Monthly GDP in April rose 0.5% after a 4Q25 decline and no improvement in 1Q26.[1]
- Forecasted growth through 2Q26 retains stability and confidence.

Labor Market

- April payrolls up 22,000 resumes a positive trajectory.[2,3]
- Unemployment fell to 6.6%.[2]
- Wages up ~4.0% y/y, but mid to higher-income sectors lag, pacing inflation.

CPI Trajectory

- Headline CPI 3.2% y/y in May, with a 33.2% jump in gasoline prices but reversing slowed to 2.8% in June.[4]
- Core measures remain near BoC 2.0% target but vulnerable.

Policy & Investment

- Canada Budget 2025 & Build Canada to invest in infrastructure, onshoring, housing & energy transition.
- Commitment to NATO defense spending target.

Sector trends informing market & asset selection

- **Multifamily is showing correction with pockets of stability** rooted in immigration policy and pressure on household balance sheets. Upside on the horizon from undersupplied Senior and Student Living, reflecting aging and domestic enrollment growth.
- **Industrial started the year normalizing and continues on this trajectory,** amid more trade disruption. Reduced development pipelines helping to restore balance into 2027, with opportunity arising from supply chain reconfiguration.
- **Retail experiencing some retreat but still outperforming.** Grocery- anchored and necessity-based retail continues to deliver outsized returns relative to history and other sectors, supported by tight supply and enduring consumer behavior patterns.
- **Office recovery is shallow and disparate,** and Trophy/Class A gaining momentum, with some modest trickle-down to Class B. In-office mandates and tenant flight to quality continue to accelerate repricing, conversions and demolitions and broaden the recovery.

1 Canadian economy posts stronger start to second quarter as GDP rises in April. RBC. 6.30.26. 2 Payroll employment, earnings and hours, and job vacancies, April 2026. StatCan. 6.25.26. 3 Labour Force Survey, May 2026. StatCan. 6.5.26. 4 Consumer Price Index, May 2026. StatCan. 6.22.26.

Key Investment Themes

- Capital markets activity edges back, but investors appear more nimble.
- Consumers and business organizations grow more vulnerable to unyielding inflation.
- Strategy differentiation: achieve resiliency through deal structuring.

2026 Execution Strategy

Economic resiliency and rate stabilization started to re-open deal flow, though in recent months sentiment has waned. Conviction still skewed toward higher-quality assets, defensible sectors, and more affordable markets. Creative and sophisticated deal structuring will differentiate strategic execution and drive outperformance.

Investment Strategy & Go-Forward

What's Next, What Matters

ACROSS NORTH AMERICA, CONSUMPTION AND AI INVESTMENTS SHOULD KEEP GROWTH POSITIVE, BUT IMMIGRATION CAPS, ELEVATED INFLATION, ONGOING UNCERTAINTY IN TRADE AND GEOPOLITICS, AND SLOWING GDP GROWTH ARE KEY AREAS OF NEAR-TERM CONCERN.

Geopolitical Flux

Midterm election results that constrain various branches may be a positive for relative geopolitical stability.

Uncertain resolution for Middle East conflict may prompt rate hikes and slow CRE transaction volume.

Energy Response

Power availability and energy scarcity shaping demand for data centers/IND and related infrastructure investments

Higher energy costs from geopolitical conflict and domestic access issues may constrain transactions.

Trade Uncertainty

Any tariff relief renews business investment, firms up household balance sheets & spending to benefit of all sectors.

Prolonged effects of tariffs further disrupts IND markets and labor markets, with trickle-down to businesses & consumers.

Digitalization & AI

Drives GDP, productivity, infrastructure investment; a boost for IND/AI-adjacent CRE, and operational efficiencies.

May artificially inflate balance sheets; potential job replacement subduing OFF demand; balance between revenue growth/capex.

Economic Polarization

AI-driven wealth effect; upside to higher income earners; unlock for-sale and luxury MF market and boost retail spending.

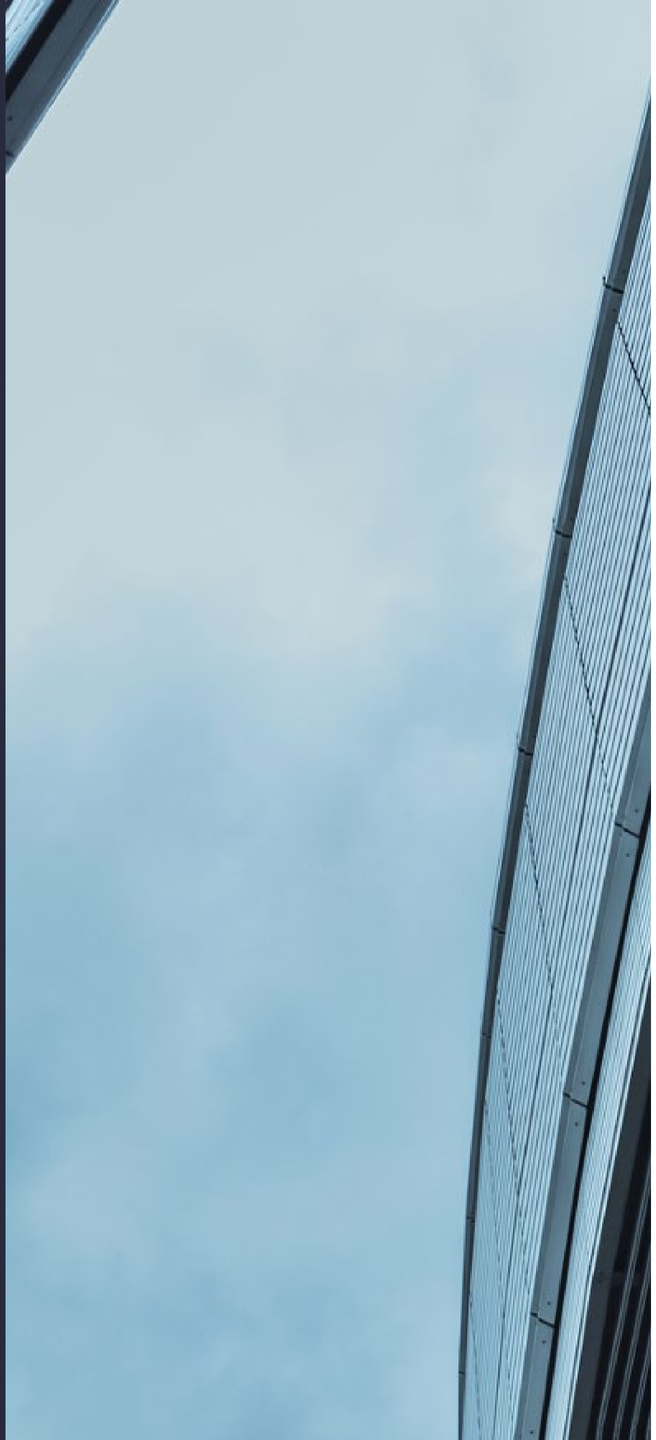
Lower income households benefit less, potentially hurting MF demand, RET supporting this demographic.

Sustainability Regulation

Federal and provincial policies are driving operational improvements, efficiencies, and resilience.

Navigating a patchwork of state and city-level regulations; ESG backlash varying by geography and asset type.

Notes: MF – Multifamily; IND – Industrial; OFF – Office; RET – Retail; CRE – Commercial Real Estate.



What's Next, What Matters

THE MID-YEAR MARKS AN INFLECTION POINT FOR INVESTORS. EXOGENOUS FORCES ARE TEMPERING MOMENTUM, BUT DISRUPTIONS ARE CREATING ENTRY OPPORTUNITIES WHERE MORE FAVORABLE PRICING, DURABLE INCOME, AND DEMAND SHIFTS SUPPORT ATTRACTIVE RISK-ADJUSTED RETURNS.

- While the shock of uncertainty has worn off, uncertainty still looms. Investors can capitalize on dislocations by focusing on sectors supported by long-term demographic, technological, and growing supply-side tailwinds through sophisticated positioning and operational tactics.

- The appetite for AI and infrastructure is expanding through bespoke opportunities. As anticipated, investors are thinking strategically about adjacency to development and hybrid strategies, benefitting from multiplier effects but also alongside market and power capacity.

- Reconciliation of valuation adjustments may persist, particularly if rates remain elevated or increase. Though many investment managers have taken write-downs, enough have not that through year-end, select re-pricing opportunities are likely to re-appear as the window for this strategic vintage passes.

- Markets remain constrained by shocks and intermittent volatility, but periods of uncertainty have historically rewarded disciplined investors. Today's environment presents opportunities to deploy capital into high-conviction sectors and markets where pricing has adjusted and fundamentals are intact.

U.S. House View

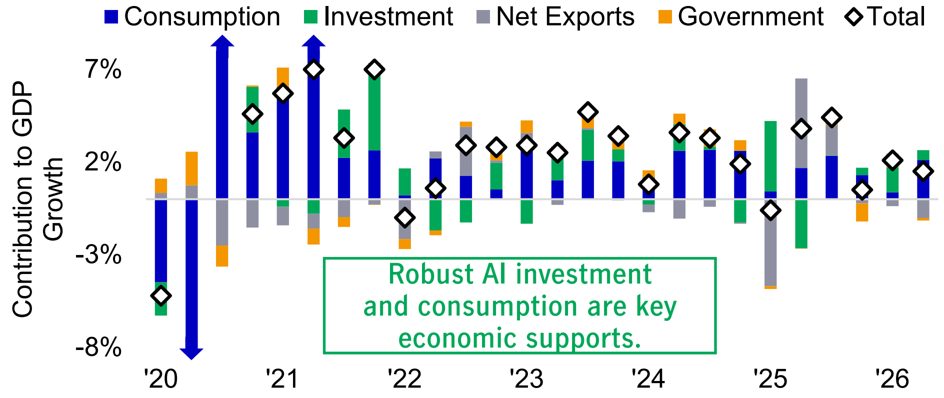
U.S. Macro-Economic Overview

RESILIENT BUT CONSTRAINED, WITH PERSISTENT INFLATION AND GEOPOLITICAL SHOCKS TEMPERING OTHERWISE SOLID GROWTH.

The economy and consumer prove surprisingly resilient amid shocks while higher inflation, geopolitical risks, and a pause in Fed easing increase uncertainty.

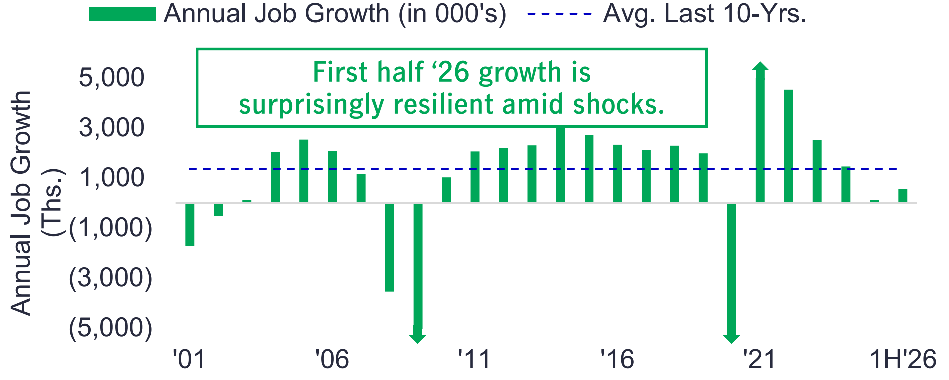
- **Economic growth is averaging 1.8% annualized so far this year**, rooted in resilient consumption, fiscal stimulus, and robust AI-investment, even factoring in the economic cost of the Middle East conflict.[1]
- **Interest-rate uncertainty remains elevated,** with energy price volatility and geopolitical risks pressuring inflation, delaying Fed easing while raising the risk of policy tightening, and reinforcing a higher-for-longer rate outlook.
- **Labor conditions appear better balanced**, consistent with an economy operating near full employment despite a slower-growth environment overall reflecting labor supply pressures.
- **Risks remain skewed modestly to the downside,** led by geopolitical conflict duration and potential energy-market disruptions, AI supply-chain vulnerabilities, a pullback in equity markets, and labor market resilience.

Quarterly GDP Growth



Source: U.S. Bureau of Economic Analysis. Data as of July 2026. Chart is truncated in '20 and '21.

Annual Job Growth



Source: U.S. Bureau of Labor Statistics. Data as of July 2026. Chart is truncated in '09, '20, and '21. 1H'26 represents the first six months of '26.

1 "US: The economy is warming up, but there are few signs of overheating." Oxford Economics. 7.8.2026.

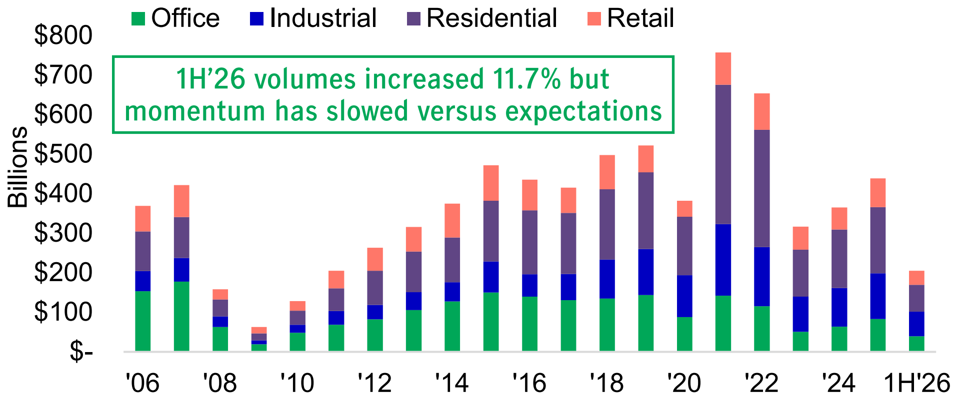
U.S. Capital Markets

CAPITAL MARKETS CONTINUE TO RECOVER BUT MOMENTUM SLOWED MOVING THROUGH THE FIRST HALF OF THE YEAR.

At mid-year debt markets remain supportive, but interest rate and macro uncertainties hamper stronger capital markets momentum.

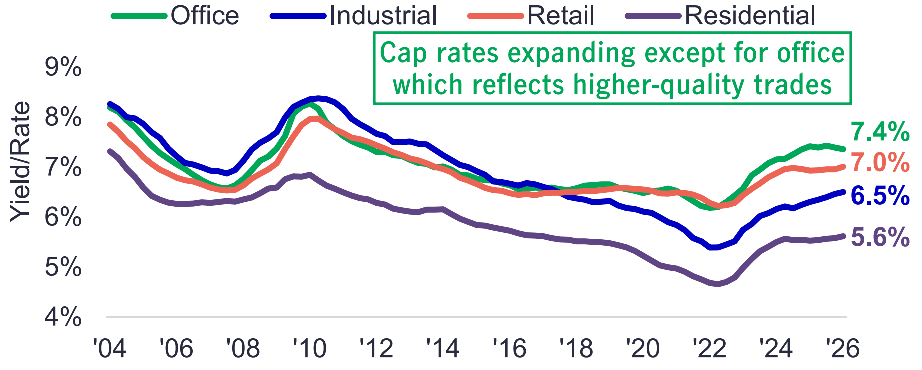
- **Competitive lending markets and improved financing terms are supporting transaction activity**, while broader participation from alternative lenders has expanded access to capital.
- **But broader liquidity conditions remain constrained** by macroeconomic uncertainty, geopolitical risks, and elevated interest rates, limiting exit visibility and capital formation.
- **The 10-year Treasury moved higher since the start of the conflict in the Middle East and could remain elevated for longer**, but history suggests that capital markets are more sensitive to changes in interest rates than to the absolute level of rates.[1]
- **The disconnect between abundant deal-level financing and weaker system-wide liquidity could create an execution window** for investors able to transact before competition and capital flows more fully recover.

Transaction Volume



Source: MSCI Real Capital Analytics. Data as of July 2026. Note: Data is annual through '25.

Cap Rate by Property Type



Source: MSCI Real Capital Analytics. Data as of July 2026. The average is a weighted by transaction volume. Cap rates are on a trailing 12-month basis.

1 "Capital Trends, US Big Picture." MSCI. May 2026.

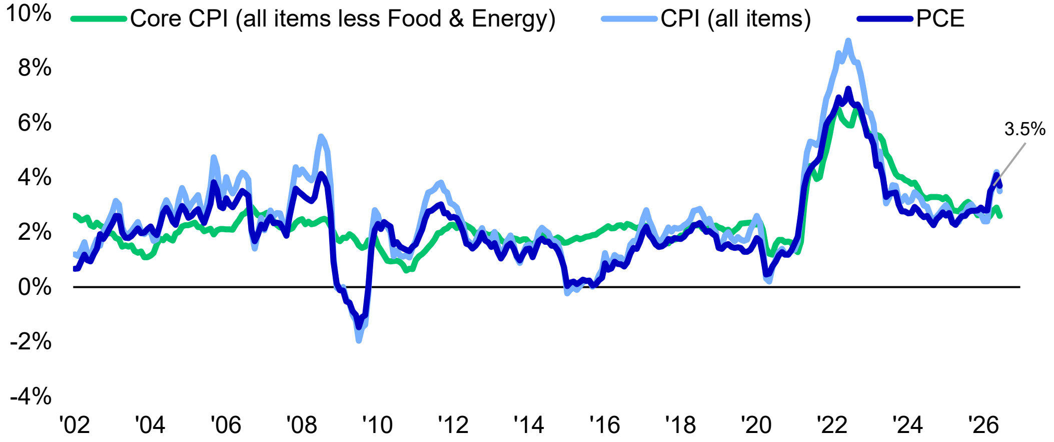
U.S. Credit Markets

CREDIT OPPORTUNITIES REMAIN ATTRACTIVE, GIVEN ELEVATED INFLATION AND RATE VOLATILITY.

Elevated inflation exerting upward pressure on rates.

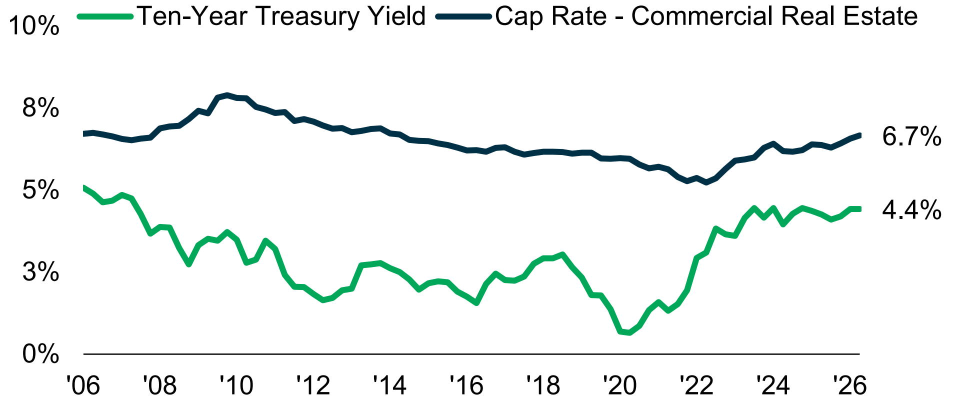
- **Rates remain elevated,** with the 10-year Treasury holding in the mid-4% range amid persistent inflation, policy uncertainty, and deficit concerns, reinforcing demand for income-oriented credit**. Ongoing rate volatility** favors shorter-duration, floating-rate credit, where income is less dependent on rate timing and equity market stability.
- U.S. real estate credit is a **$6.6 trillion addressable market**, with $3.1 trillion maturing in the next five years. With **CRE values resetting materially** (pricing down 11.1% to 17.4% from peak), this creates attractive lender entry points.[1]
- **CRE lending growth** will likely remain positive even if rate hikes are possible; higher rates may represent headwinds for borrowers, but this also creates opportunities for flexible credit lenders.

Key Measures of Inflation: CPI (All Items), Core CPI, PCE



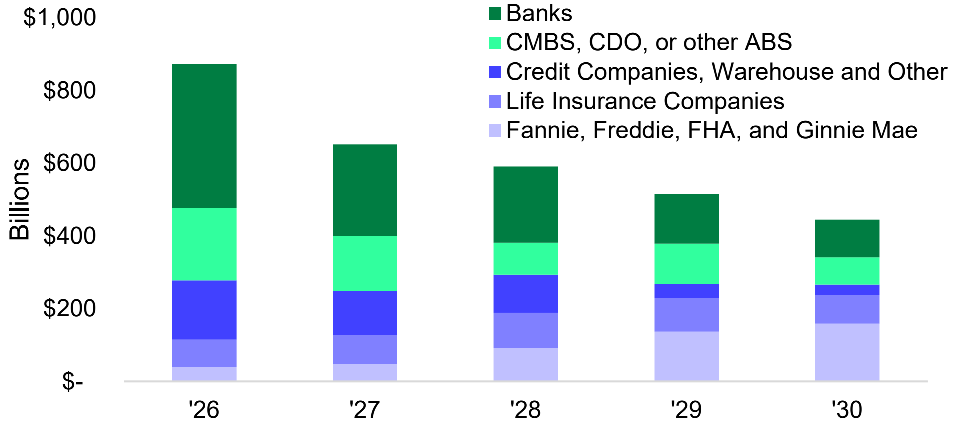
Sources: Bureau of Labor Statistics; Bureau of Economic Analysis. Data as of July 2026

U.S. Ten-Year Treasury & Cap Rate



Sources: FRED, Real Capital Analytics. Data as of July 2026.

Debt Maturity Wall



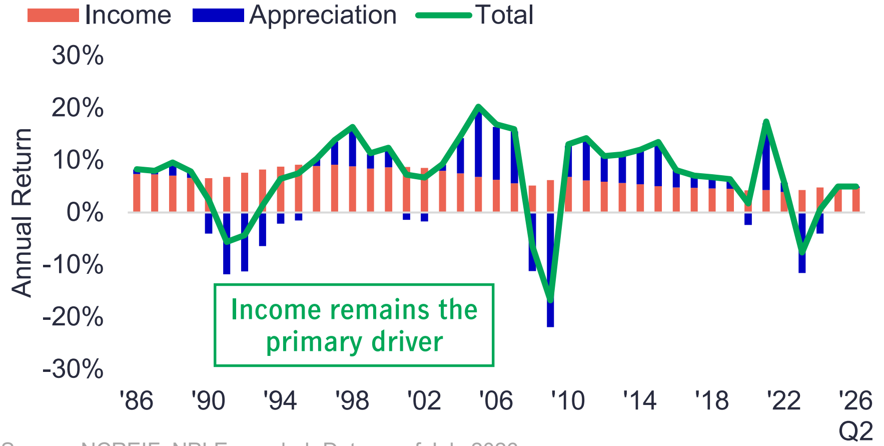
Source: Mortgage Bankers Association. Data as of July 2026.

1 MSCI Real Capital Analytics. Data as of July 2026.

U.S. Commercial Real Estate Returns

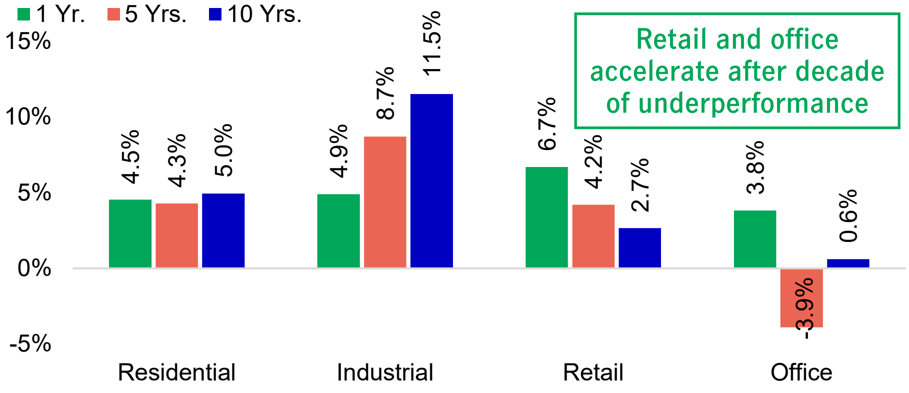
THE RECOVERY REMAINS INCOME-LED, WITH APPRECIATION STILL IN THE EARLY STAGES OF RECOVERY.

NPI Annual Income v. Capital Returns



Source: NCREIF, NPI Expanded. Data as of July 2026.

NPI Historical Annualized Total Return (Ending '26 Q2)



Source: NCREIF, NPI Expanded. Data as of July 2026.

At the mid-year point, appreciation is positive and largely past the correction phase but has yet to meaningfully reaccelerate amid uneven capital markets conditions.

- **Income accounts for 95% of the 5.0% total annual return** as of 2Q26, highlighting the importance of durable cash flows.
- **Appreciation returns remain flat-to-positive** on a quarterly basis since 1Q25 but have yet to exceed 0.50%, suggesting values have stabilized following the pricing correction, but have yet to meaningfully accelerate.
- **With long-term interest rates likely to remain higher, significant cap rate compression is less probable**, therefore future total returns from the NPI are expected to rely more on fundamentals such as rental income growth.
- **Office continues to be weighed down by negative appreciation**, the only sector with still negative annual appreciation returns. But easing negative appreciation for office is driving the reversal from negative 5-year to positive 1-year total returns, with income returns providing critical support in the 5% range over both periods.
- **Asset and market selection are becoming important drivers of alpha as return dispersion narrows across sectors.** All sectors recorded positive returns with the gap between the top and bottom sector narrowing, as industrial normalizes after the pandemic surge, retail emerges from a decade long bout of underperformance and office returns improve after a major basis reset.[1]

1 NCREIF, NPI Expanded. Data as of July 2026. NOTE: PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

Outlook

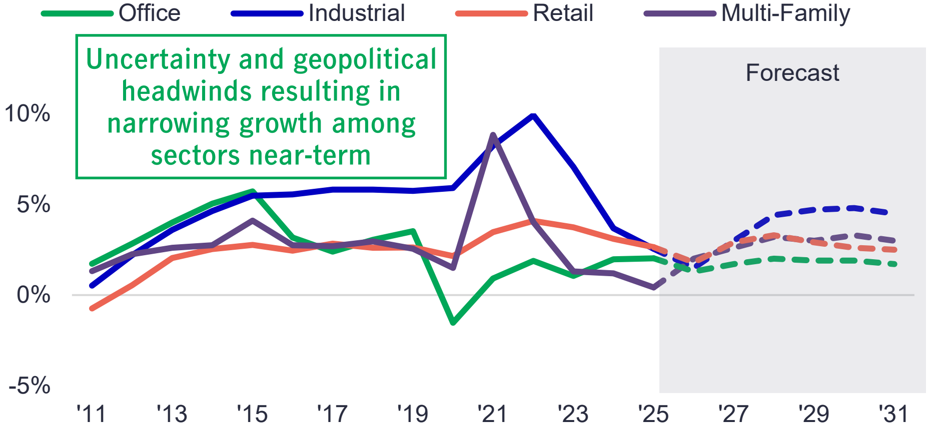
U.S. Real Estate Performance Outlook

INCOME GROWTH REMAINS THE FOUNDATION OF LONG-TERM REAL ESTATE RETURNS.

As performance differences across sectors narrow, alpha will depend increasingly on creative deal structuring and execution as well as thoughtful asset and sector selection.

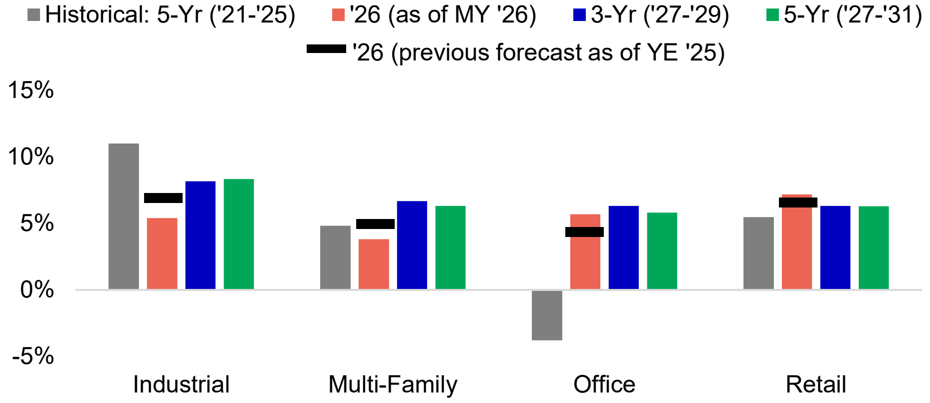
- **Downgrades to growth expectations in 2026 and 2027 were most pronounced for industrial and multifamily**, amid elevated vacancy.
- **After 2026, the five-year outlook for rent growth is largely unchanged**, with industrial leading all sectors at 4.3% average annual growth through '31.
- **2026 return forecasts softened for industrial and multifamily** due to lower appreciation expectations, while income returns remain resilient. Office forecasts improved as appreciation shifted from negative to flat, leaving income as the driver of returns.
- **Inclusion of '31 in the five-year outlook is boosting returns slightly**, as '26 rolls off and income continues to support solid overall performance.
- **Stronger performance over the next 5-years is expected** versus the prior 5-year pace, except for industrial.
- **Active asset management and differentiated leasing strategies** can enhance rent growth and asset-level performance, critical components to sustaining durable income growth, the key driver of total returns.

Forecasted Rent Growth by Property Type



Source: CoStar Historical Data 2017 to 2025, and Manulife Investment Management Forecasts. Data as of July 2026.

Forecasted Annualized Returns by Property Type



Source: NCREIF Historical Data 2021 to 2025, and Manulife Investment Management Forecasts. Data as of July 2026.

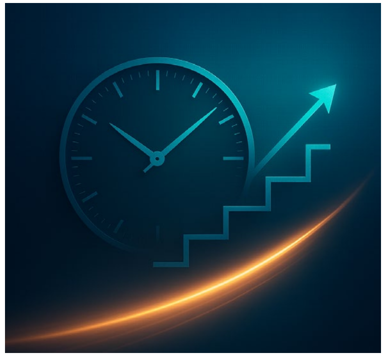
What's ahead for the U.S. Commercial Real Estate market?

POSITIONING FOR RESILIENCE AMID SHOCKS AND VOLATILITY IS CREATING UNIQUE OPPORTUNITIES TO DEPLOY CAPITAL.

Shifting Capital Markets

- **Macroeconomic uncertainty, geopolitical risks, and financial market volatility** weigh on liquidity, stalling transaction volume momentum in the first six-months of 2026.
- **But competitive lending markets and improved financing terms** are robust and will sustain transaction volumes to a degree.
- **Rates have risen and could stay elevated,** yet markets are historically more sensitive to rate volatility than absolute levels.

Strategic Vintage



- **Lower entry bases for new deals** enables more conservative underwriting and stronger outperformance potential.
- **A rate-driven repricing rather than a recession-driven one** reinforces the appeal of the current vintage.
- **Appreciation returns have been slow to recover so far this cycle**, providing an execution window that supports continued access to favorable pricing and the potential for increasing appreciation returns.

Structural Growth Engines

- **Domestic manufacturing build out** amid tariffs, annual USMCA reviews and national security initiatives reinforces reshoring and resilient supply chains.
- **Surging AI and data center demand** driving investment in energy infrastructure, semiconductors, and supporting supply chains, making power and water access key differentiators.
- **Aging demographics and slower immigration** strengthen selectivity toward durable demand and persistent supply imbalances.

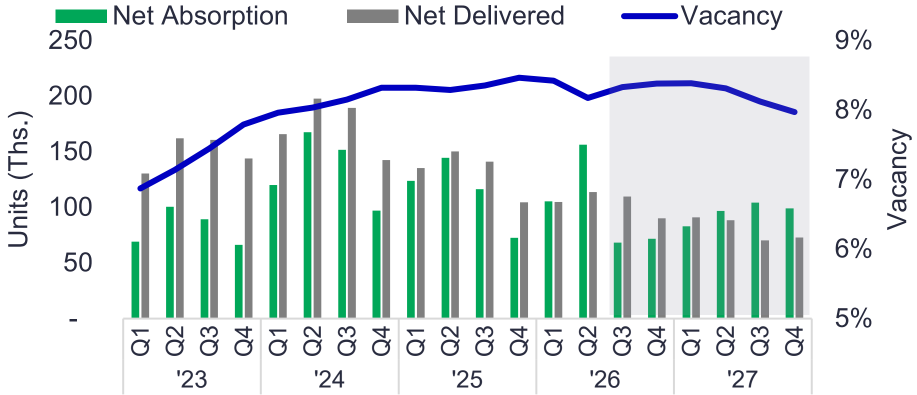
U.S. Multifamily Fundamentals

FUNDAMENTALS ARE STABILIZING BUT REMAIN HEAVILY INFLUENCED BY EXCESS SUPPLY.

Tempered demand growth from historic highs still shows resilience and combined with moderating supply supports signs of an inflection.

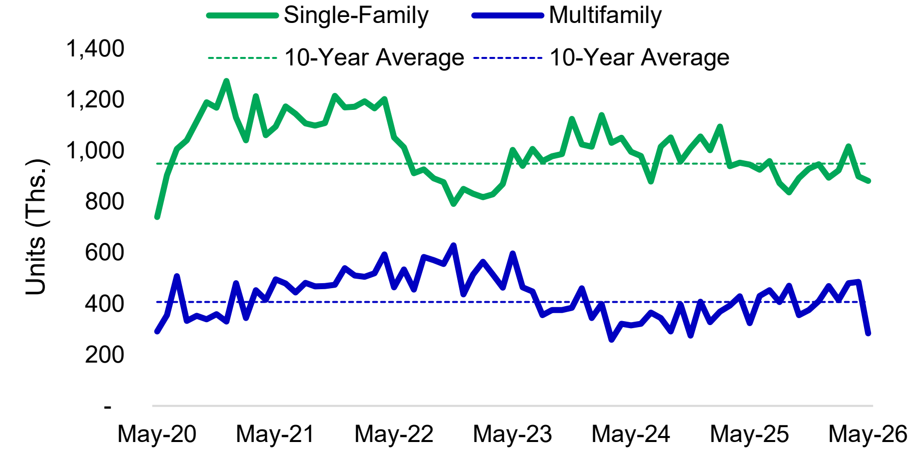
- **Resilient demand** is reflected in above average net absorption despite slower job growth, reduced immigration, and delayed household formation.
- **Rent growth remained positive but subdued** at 0.7% year-over-year, as supply overhang and measured demand continued to temper pricing power.[1]
- **Renting remains structurally advantaged** relative to ownership**,** supported by elevated homeownership costs and wage growth outpacing rent growth for more than three years, support renter financial health and collections.[2]
- **Supply pressure is easing** as completions decline and elevated construction costs continue to limit new development.
- **Delayed household formation** among the nearly half of young adults living with parents is constraining renter demand today but represents a future source of demand growth as they eventually move out on their own.[3]
- **Recovery remains gradual and uneven**, with vacancy showing early signs of peaking and rent growth stabilizing, but high-supply markets remain under pressure.
- **Inflecting fundamentals** should gradually restore pricing power, though near-term performance will remain uneven across markets, reinforcing disciplined investment.

Quarterly Supply and Demand



Source: Costar. Data as of July 2026.

Monthly Housing Starts



Source: U.S. Census Bureau, U.S. Department of HUD. Data as of July 2026.

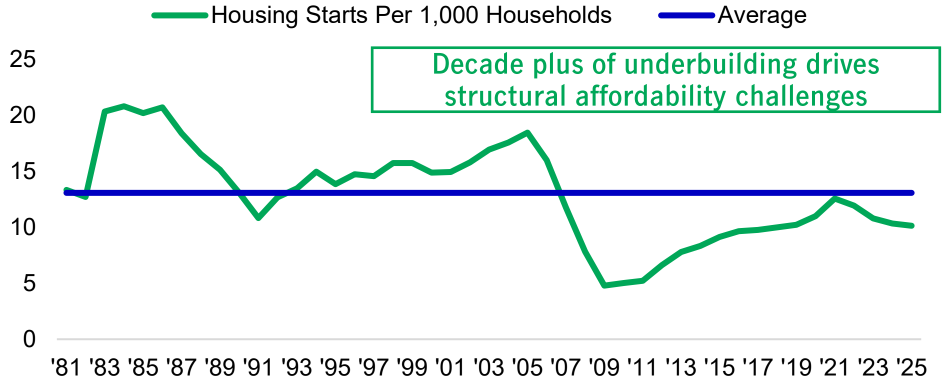
1 CoStar. Data as of July 2026. 2 "8 Highlights from Apartment REITs' Q1'26 Earnings Calls." Jay Parsons. 5.8.2026. 3 "Delayed Household Formation Puts New Pressure On Multifamily Strategies." GlobeSt. 7.7.2026.

Affordable/Attainable

AFFORDABILITY PRESSURES REMAIN STRUCTURAL, NOT CYCLICAL.

- **Affordable housing shortage (~7.2M units) is worsening as starts plunge** due to development and operating cost inflation squeeze on feasibility while ~374k units risk losing restrictions over the next five years.[1]
- **With a record high 22.7 million renter households facing cost burdens**, the cumulative increase in renter-by-necessity rent has outpaced area median income since 2007, adding to affordability pressures.[2,3]
- **Policy tailwinds are improving the toolkit** (expanded tax credits/legislation; growing state/local zoning reforms), but execution bottlenecks remain local and the scale remains insufficient without larger government support. [2,3]

Housing Starts Per 1,000 Households



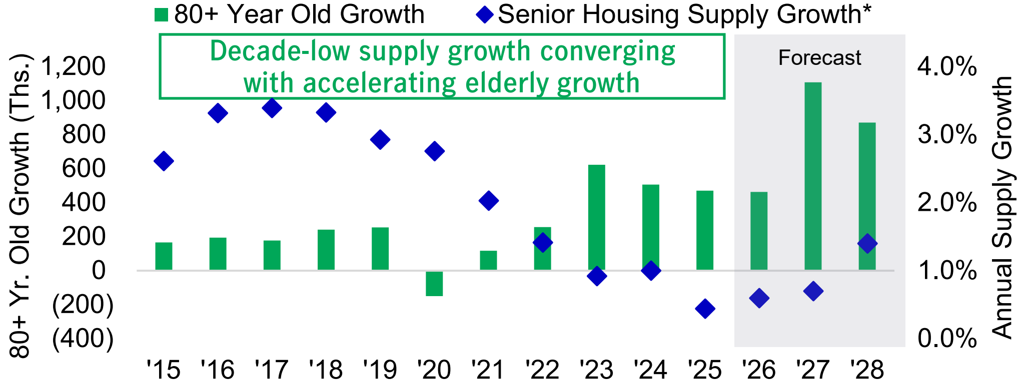
Source: Oxford Economics. Data as of July 2026.

Senior Living/Active Adult

STRUCTURAL TAILWINDS BOOST DEMAND AND AFFORDABILITY.

- **Strong growth among the 80+ cohort**, at a 5% CAGR over the next five years—double the historical pace—will boost demand.[4]
- **Rising home values and equity gains strengthen affordability**, as most residents fund their transition into senior living through home sale proceeds and accumulated wealth.
- **Fundamentals are improving,** with occupancy recovering to a decade high (nearing 90.0%), annual rent growth of 4.6%, and 2.6% absorption outpacing 0.4% inventory growth.[5]
- **Hospitality-oriented communities** offering spacious residences and thoughtfully designed common areas, with amenity programs increasingly influence rate, lease-up velocity, and resident tenure.[6]

80+ Year Old Growth vs. Senior Housing Supply Growth



Source: Green Street. Data as of May 2026. *Includes Assisted Living (50% of total) and Independent Living (50% of total) in primary and secondary markets.

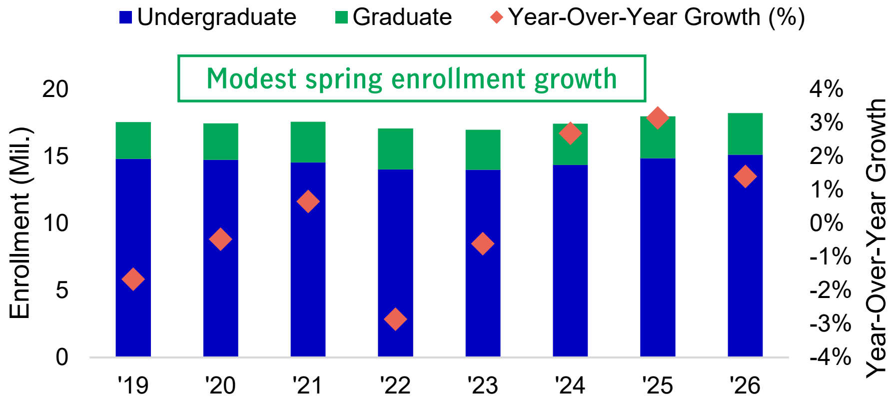
1 "The State of Affordable Housing." LISC. Data as of June 2026. 2 "The State of the Nation's Housing 2026." JCHS Harvard. June 2026. 3 Yardi Matrix. Data as of Spring 2026. 4 "Health Care Sector Update: Engine Keeps Humming." Green Street. 5.25.2026. 5 NIC MAP. Data as of 2Q26. 6 "Seniors Housing Uses Hospitality Design To Strengthen Pricing Power." GlobeSt. 7.21.2026.

Student Housing

RESILIENT DEMAND AT FLAGSHIPS OFFSETS NATIONAL HEADWINDS.

- **Fall '26 preleasing reached 84.7% in June**, 340 bps above average, recovering from below-trend progress earlier this year, while average rent per bed increased 2.8% in June versus a year ago.[1,2]
- **A shrinking 18-year-old cohort and slower immigration pose headwinds**, but large flagships and major state schools should keep growing enrollment, having outpaced the national rate by 40 bps annually over the past decade.[3]
- **New DHS rules capping international student visas** at four years may dampen enrollment, hitting lower-tier colleges, lengthy PhD programs, and single-occupancy student housing, but foreign students are just 6% of enrollment, and selective schools can backfill with domestic demand.[4]

U.S. Postsecondary Education Spring Enrollment



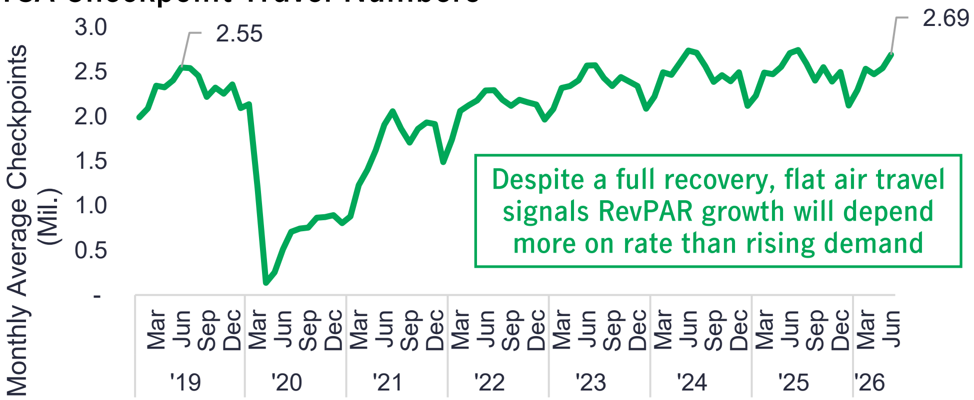
Sources: National Student Clearinghouse Research Center. Data as of July 2026.

Hotel

LUXURY LEADS AS PRICING POWER OFFSETS PLATEAUING DEMAND.

- **The Middle East conflict is weighing on inbound travel and the expected World Cup boost disappointed** as overseas traveler counts fell 1.2% in June, excluding Mexico and Canadian air travelers.
- **RevPAR rose 5.7% in 2Q26**, driving over $5.4 billion in additional first-half room revenue year-over-year, with occupancy gains led by weekday demand from improving corporate and group travel.
- **Luxury hotels posted 8.8% year-to-date RevPAR growth**, while upper-midscale, midscale, and economy hotels struggled to grow RevPAR and ADR above inflation, pressuring margins.
- **Expected supply growth of just 0.6% in 2026**, concentrated in the limited-service segment, is well below the 1.6% long-term average.[5]

TSA Checkpoint Travel Numbers



Source: Transportation Security Administration. Data as of July 2026.

1 RealPage. Data as of July 2026. 2 "U.S. Student Housing, Preleasing Report 2026." Berkadia. July 2026. 3 "Student Housing Insights." Green Street. 5.31.2026. 4 "Student Housing Insights." Green Street. 7.22.2026. 5 "U.S. Hospitality National Report." CoStar. July 2026. Note: DHS, Department of Homeland Security. RevPAR, Revenue per available room. ADR, average daily rate.

Procure & Secure

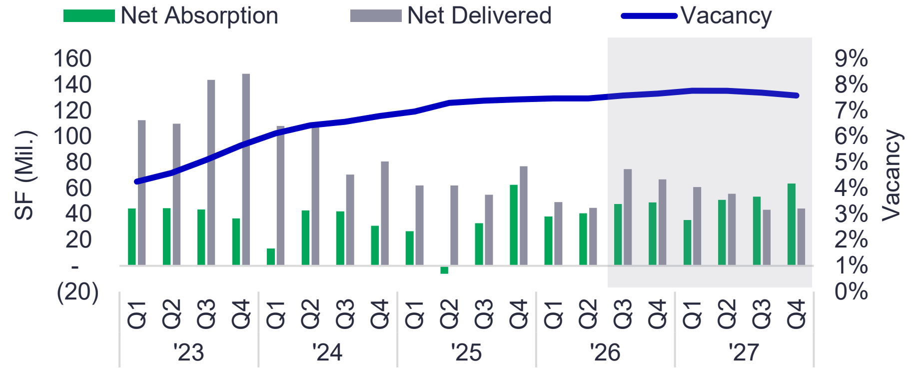
U.S. Industrial Fundamentals

MOVING THROUGH A CYCLICAL RESET, GRADUALLY REBALANCING AS DEMAND IMPROVES AND NEW SUPPLY MODERATES.

Although vacancy remains elevated, demand has proven more resilient than expected despite recent supply-chain disruptions and geopolitical uncertainty.

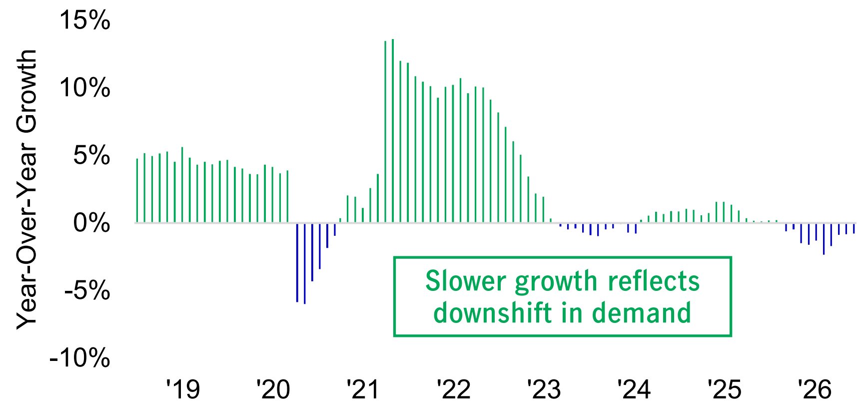
- **As tariff-related disruption eases**, the USMCA's move to annual review replaces long-term renewal as a new source of supply chain uncertainty.[1]
- **Retail sales remain encouraging**, particularly within e-commerce, increasing 9.8% year-over-year, accounting for a record high 16.9% of total retail sales.[2]
- **Demand is broadening** into manufacturing reshoring, data-center supply chains, and advanced manufacturing, reflecting a more diversified and durable demand base that supports underwriting conviction despite macro noise.[3,4]
- **Large-format leasing rebounds** as retailers and distributors shift back toward centralized facilities to hedge geopolitical and supply-chain volatility.[5]
- **Weaker-than-expected economic growth and geopolitical uncertainty could weigh on expansion plans and delay normalization**, particularly for vacant assets as tenant credit remains a primary focus.

Annual Supply and Demand



Source: Costar. Data as of July 2026.

Monthly Transportation and Warehousing Job Growth



Source: Bureau of Labor Statistics. Data as of July 2026.

1 "Industrial Real Estate Braces for USMCA Trade Shock." GlobeSt. 7.1.2026. 2 "Industrial Real Estate Braces for USMCA Trade Shock." GlobeSt. 7.1.2026. 3 "Manufacturing Momentum Accelerates." Cushman & Wakefield. June 2026. 4 "Data Center Boom Fuels New Demand For Warehouses." GlobeSt. 7.16.2026. 5 "Savills x CompStak Partnership Report." Savills. 1Q2026.

Procure & Secure

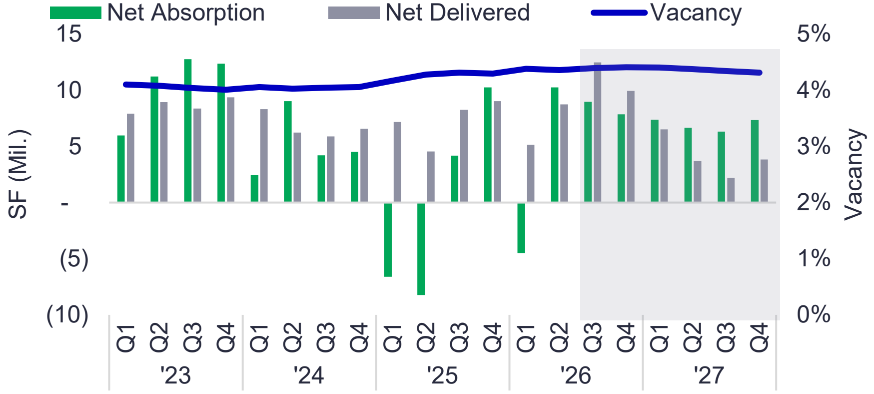
U.S. Retail Fundamentals

LOW VACANCY, LIMITED SUPPLY, AND SURPRISINGLY RESILIENT CONSUMPTION SUPPORT BALANCE DESPITE AN UNCERTAIN MACRO BACKDROP.

Retailers continue to prioritize physical locations, with most planning footprint growth as stores play a bigger role in fulfillment and customer acquisition.[1]

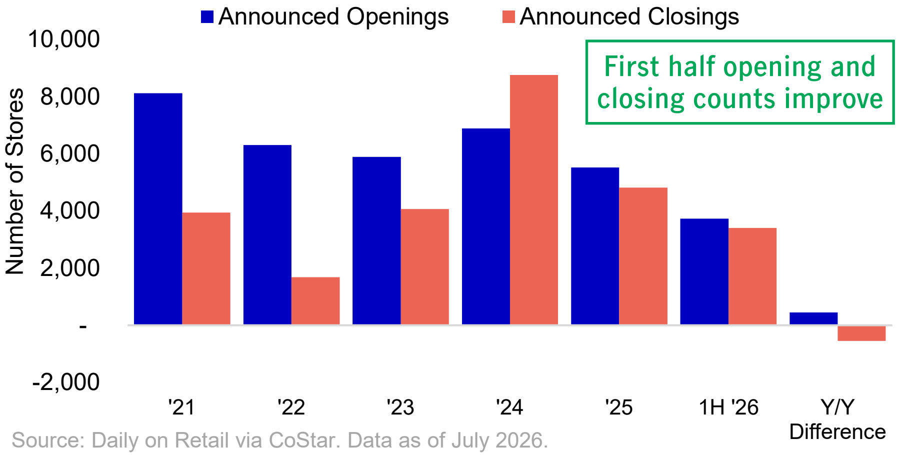
- **Consumer spending continues to support retail demand**, though spending growth has become more measured as real wage growth has softened and continues to lag spending growth, an unsustainable path.[2]
- **Large retailers leverage stronger profitability to expand selectively** into high-productivity formats, while margin-pressured smaller operators face rising closure risk.[2]
- **Record low construction activity is sustaining healthy leasing conditions**, with time-to-lease near historic lows and smaller-format spaces (<2,500 SF) driving a disproportionate share of activity.[3]
- **Well-located assets stand to benefit** as AI, buy-online-pick-up-in-store programs, and stores' logistics role redefine in-store economics from four-wall sales to "total location productivity."[1]
- **Exceptional supply discipline and low vacancy** provide a fundamentals cushion even if consumer spending softens on a prolonged Middle East conflict or sticky inflation.

Annual Supply and Demand



Source: Costar. Data as of July 2026.

Announced Store Openings and Closings



Source: Daily on Retail via CoStar. Data as of July 2026.

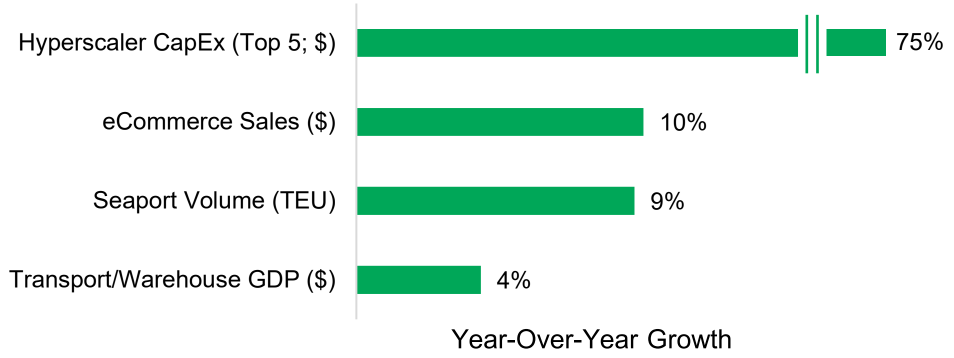
1"How AI Is Redefining Retail Real Estate in 2026." Colliers. Spring 2026. 2 "CoStar Economy: Large retailers overcome cost pressures to post higher profits." CoStar. 6.17.2026.
3 "Retail National Report, United States." CoStar. July 2026.

Industrial Outdoor Storage "IOS"

TAILWINDS SUPPORT STABILIZATION AND PRICING POWER.

- **Demand rising** as manufacturing, energy, and infrastructure expand, favoring low-cost outdoor storage over higher-priced warehouses.
- **Restrictive zoning, local opposition, scarce infill land** are keeping IOS vacancy tight (~2.5% vs. 6.7% for traditional industrial).[1]
- **Scarcity drives pricing power**, though Class B/C warehouse with an available yard is the primary alternative.
- **Rent premiums expand** over traditional industrial to 21.1%, with even stronger premiums in port-adjacent and last-mile constrained locations.[1]
- **Institutionalization continues** with growing lender participation and underwriting focused on cash flow durability, tenant credit, and site functionality.[2]

IOS Demand Driver Growth



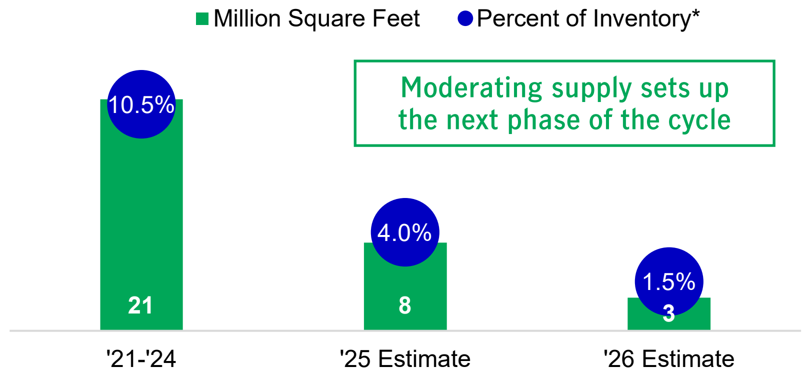
Sources: Data as of July 2026. Top to bottom: Green Street, Data Center Sector Update (through 2025). Census, Quarterly Retail E-Commerce Sales (through 1Q26). U.S. Bureau of Economic Analysis (through 1Q26). Various port authorities (through May 2026).

Cold Storage

STRUCTURAL DEMAND INTACT AMID CYCLICAL RESET.

- **Steady expansion** of domestic food production, efforts to de-risk the food supply chain, and e-grocery growth underpin structural demand.[3]
- **Record deliveries + softer demand**, due to slowdown in food inventories post-Covid, extended due to inflation, drive cyclical reset.
- **Net absorption holding but bifurcated by vintage** – record absorption for modern facilities and record move-outs for legacy.[3]
- **Supply growth moderating meaningfully** but operating environment will remain challenging amid inflationary pressures.
- **GLP-1 adoption is reallocating demand** across food categories while supporting pharma cold-chain needs.

Cold Storage Supply Growth



Source: Green Street, Cold Storage Sector Update as of May 2026. *Excludes user-owned facilities.

1 "Industrial Outdoor Storage Outpaces Peers." CRE Daily. March 2026. 2 "Industrial Outdoor Storage IOS Financing 2026." Core Insights Review. May 2026. 3 "H2 2025 U.S. Cold Storage Market Overview" Newmark. March 2026.

Manulife Investment Management

Produce & Create

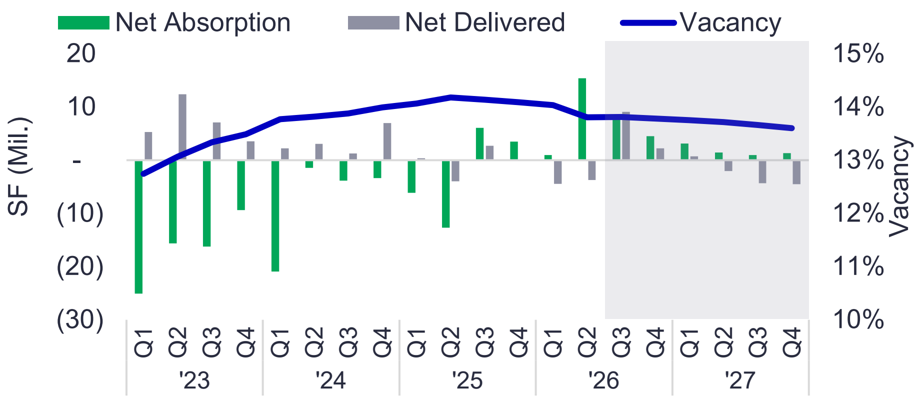
U.S. Office Fundamentals

DESPITE ELEVATED VACANCY, SUPPLY CONTRACTION IS A KEY TAILWIND FOR FUNDAMENTALS.

The first year-over-year decline in vacancy since the pandemic signals progress toward early-stage rebalancing, with AI emerging as a new source of demand.

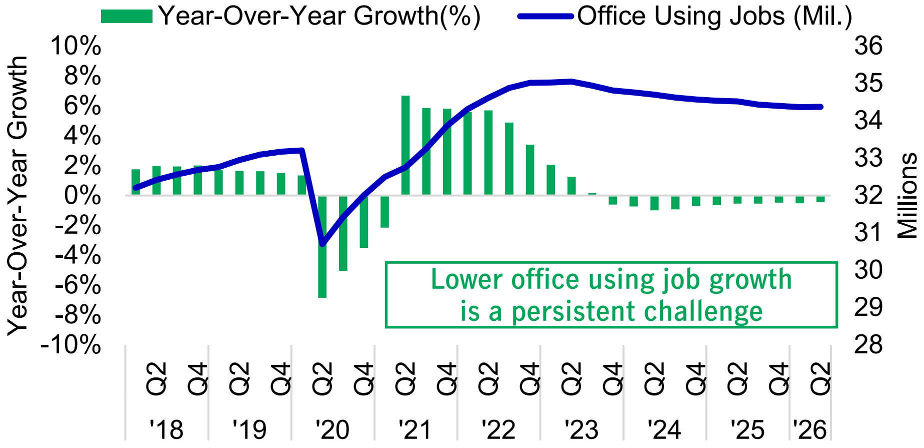
- **Though office leasing volumes have not yet made a full recovery** as measured by square footage leased due to 15% smaller typical deal sizes, the number of lease transactions is close to an all-time high.[1]
- **The long-term implications of AI for office employment remain uncertain** and could contribute to a more measured hiring environment, but AI has emerged as a new source of leasing demand near-term.[2]
- **High-quality contiguous space is scarce** as construction sits at multi-year lows and conversions shrink inventory, forcing large tenants to renew in place, muting leasing and trade-up activity.[3]
- **A sustainable recovery in fundamentals will take time**, but early-stage rebalancing is broadening out with newer, high-amenity, well-located assets finding demand and maintaining occupancy and the trickle-down effect starting to pick up given competitive supply constraints.
- **The labor market remains the key determinant of recovery**, with risks including renewed geopolitical tension, continued hiring weakness, and uncertainty around AI's long-term impact on office-using employment.

Annual Supply and Demand



Source: Costar. Data as of July 2026.

Office Using Employment and Growth



Source: U.S. Bureau of Labor Statistics. Data as of July 2026.

1 "US office leasing holds steady at midyear." CoStar. 7.8.2026. 2 "Big Tech's U.S. Office Strategy Is Clear: Concentrate, Upgrade, Expand." Newmark. 6.16.2026. 3 "Big Tech's U.S. Office Strategy Is Clear: Concentrate, Upgrade, Expand." Newmark. 6.16.2026.

Manulife Investment Management

Canada House View

Canada Economy

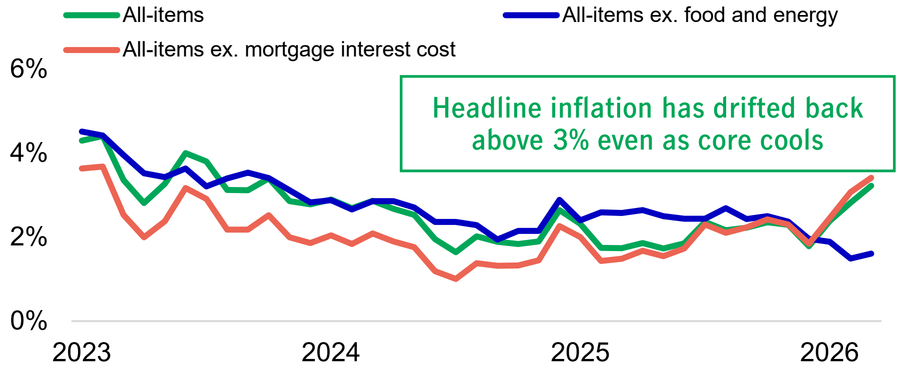
Canada Macro-Economic Overview

THE ECONOMY IS MAKING POSITIVE STRIDES, THOUGH ANY UNEXPECTED GEOPOLITICAL TURMOIL COULD STEER CANADA INTO STORMIER WATERS.

A reliance on narrow pockets of resilience is growing with economic and demographic performance dispersion widening between regions and metros across Canada.

- **Growth remains fragile rather than recessionary.** Monthly GDP as of April rose 0.5% after a 4Q25 decline and no improvement in 1Q26, with expectations of around 1.0% annualized growth through 2Q26.[1]
- **Goods-producing – specifically energy – sectors are carrying the upside.** Advancing self-reliance, oil and gas extraction, mining, and quarrying improved 2.9% in April, while services activity continued to lag.
- **The labour market continues to show resilience**, even if volatile. April payrolls were up 22,000 in April and other sources show employment increased 0.4% in May, pushing unemployment down 30 bps to 6.6%.[2,3]
- **Wage growth is supporting consumption** but adding inflation sensitivity. Payroll wages rose nearly 4.0% year-over-year through April.[2]
- **Inflation risk is energy-led**. Headline CPI accelerated to 3.2% year-over-year in May, driven by a 33.2% jump in gasoline prices, only to slightly reverse in June with CPI down to 2.8%; core measures remained near the Bank of Canada's 2.0% target.[4]
- **Outlook is modestly constructive but highly conditional**. Tariff exposure, lack of a CUSMA extension resolution, energy volatility, and immigration caps will influence uneven growth through 2026, with a stronger expansion cycle more likely deferred to 2027.

Consumer Price Index, Year-over-Year % Change



Source: Statistics Canada. Data as of July 2026.

Unemployment Rate

Sources: Statistics Canada, Oxford Economics. Data as of July 2026.

1 Canadian economy posts stronger start to second quarter as GDP rises in April. RBC. 6.30.26. 2 Payroll employment, earnings and hours, and job vacancies, April 2026. StatCan. 6.25.26. 3 Labour Force Survey, May 2026. StatCan. 6.5.26. 4 Consumer Price Index, May 2026. StatCan. 6.22.26.

Capital Markets

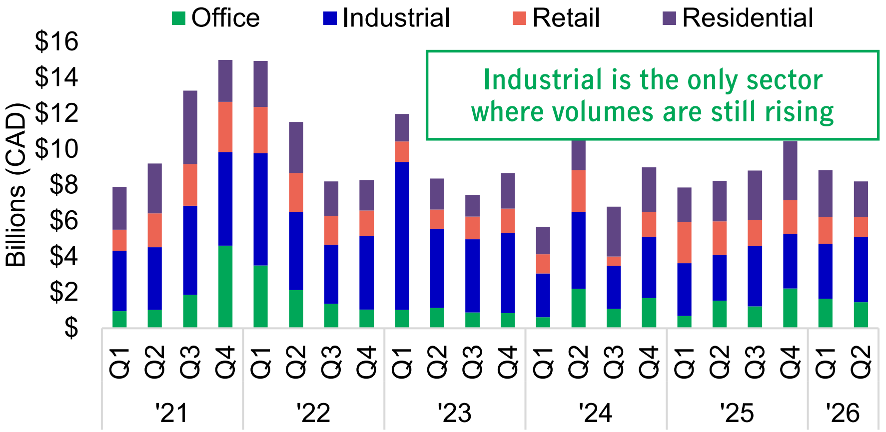
Canada Capital Markets

INVESTMENT IS SUBDUED, BUT REPRICING, RATE STABILITY, AND SECTOR-LEVEL DEMAND TAILWINDS COULD SUPPORT GRADUAL RE-ENGAGEMENT.

Prolonged economic duress is driving normalization in underwriting, specifically related to demand-side impacts reflected in income growth and risk-adjusted returns.

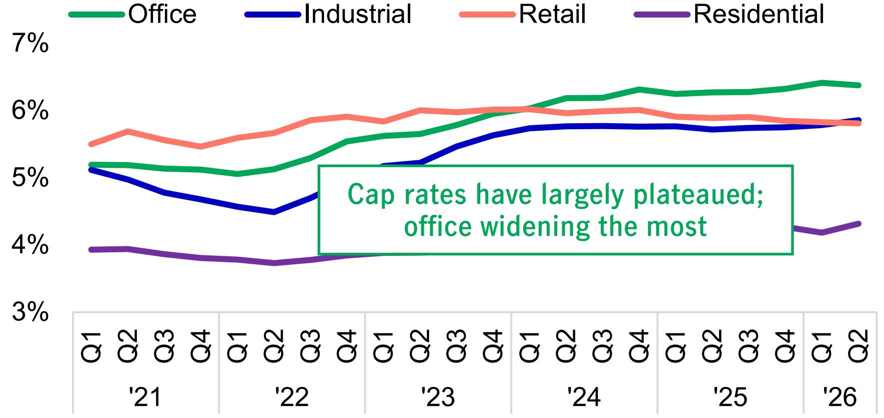
- **Investment stalling through mid-year,** with the impact of the U.S. – Iran conflict stymying rate stability and improved sentiment early on in the year.
- **Transaction activity waned from an early burst,** with 1Q transaction volume down 20.0% quarter-over-quarter to $11.6B, and more recent preliminary data shows a further 7.0% pullback in the second quarter.[1,2]
- **Buyer composition is shifting to domestic and institutional**. Private Canadian investors accounted for more than 50.0% of 1Q acquisitions, while pension funds and institutional buyers increased share.[1]
- **Residential continues to anchor activity**. Acquisitions reached $3.7B in 1Q and exceeded the 3-year trailing quarterly average, even as broader investor caution persisted.[1]
- **Pricing appears closer to stabilization**. Green Street's overall CPPI was down just 0.2% year-over-year on an improving trajectory, and then up 0.2% in 2Q, though still 17.2% below the 2022 peak.[3]
- **Cap rate trends are volatile**, with data from earlier in the year showing compression while more recent data reveals stability to expansion. CBRE's first quarter data (latest available) revealed a slight two bp decline quarter-over-quarter to 6.6%, driven by office and industrial, and tightening marginally to the 10-Year GoC Bond yield.[4]

Transaction Volume by Property Type



Source: CoStar. Data as of July 2026.

Cap Rate by Property Type



Source: MSCI. Data as of July 2026.

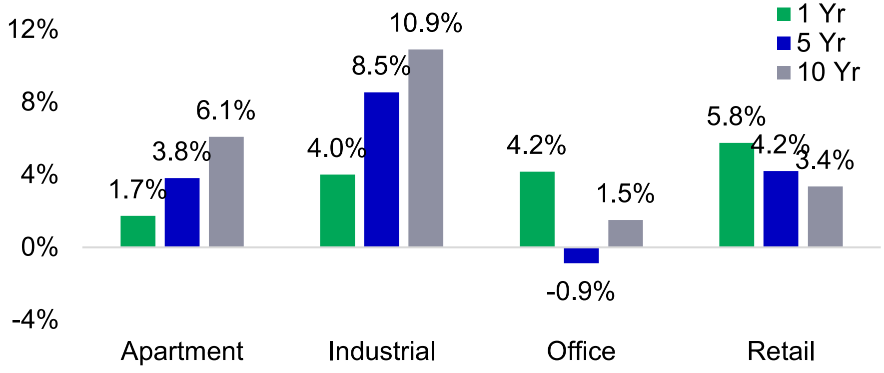
1 Canada Investment Overview. CBRE. 1Q26. 2 CoStar. As of 2Q26. 3 Cap Rate Observer. Green Street. 6.24.26. 4 1Q2026 Canada Cap Rates & Investment Insights. CBRE. 1Q26.

Capital Markets

Canada Commercial Real Estate Returns

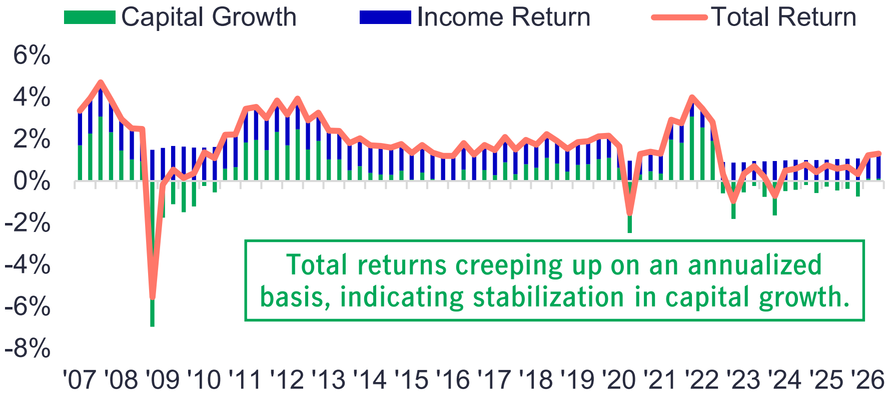
INCOME REMAINS THE PRIMARY CONTRIBUTOR TO TOTAL RETURNS, HELPING TO OFFSET ONGOING CAPITAL DEPRECIATION AND PLACING EMPHASIS ON ASSET SELECTION.

MSCI REALPAC Historical Annualized Total Return



Source: MSCI. Data as of July 2026.

MSCI REALPAC Quarterly Income vs. Capital Returns



Source: MSCI. Data as of July 2026.

At the mid-year point, capital declines are lessening, suggesting property value erosion may be dissipating, laying the groundwork for vintage advantage.

- **Income is doing the heavy lifting**, with the aggregate CRE total return improved to 3.6% annualized in 2Q2026, supported by a 4.5% income return while capital growth remained marginally negative -0.87%.[1]
- **Retail remains the top-performing sector**, delivering a 5.8% annualized total return in 2Q2026, up slightly from 5.7% in 4Q2025, and uniquely supported by positive capital growth of 0.3% alongside a robust 5.4% income return.[1]
- **Industrial delivered steady, above-average performance** with a 4.0% annualized total return in 2Q2026, supported by a 4.5% income return that more than offset still-negative -0.44% capital growth, underscoring the sector’s shift from appreciation-led to income-led returns.
- **Residential was the weakest-performing sector**, posting a 1.7% annualized total return in 2Q2026, barely changed from the prior quarter but down from 2.7% a year ago. A modest 3.1% income return was insufficient to fully offset persistent -1.4% capital growth.
- **Office benefitted from the highest income return among sectors** (6.1%), driving a 4.2% annualized return in 2Q2026, recovering from -0.3% a year ago, even as capital growth remained negative at -1.8%.

1 MSCI. Data as of 2Q26. NOTE: PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

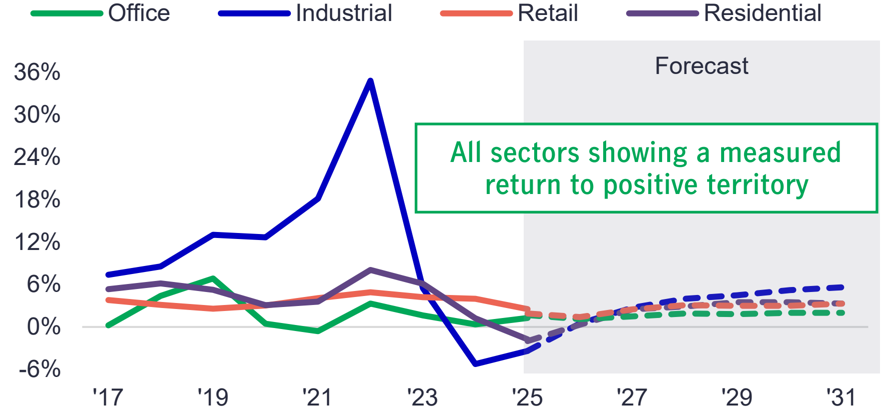
Canada Real Estate Performance Outlook

NOTWITHSTANDING THE GEOPOLITICAL BACKDROP, ALL SECTORS ARE LIKELY POSITIONED FOR SOME DEGREE OF RECOVERY INTO 2027.

The strongest buyers are equipped to identify opportunity through the remainder of 2026, having refined strategic approaches to investment amid volatility and uncertainty.

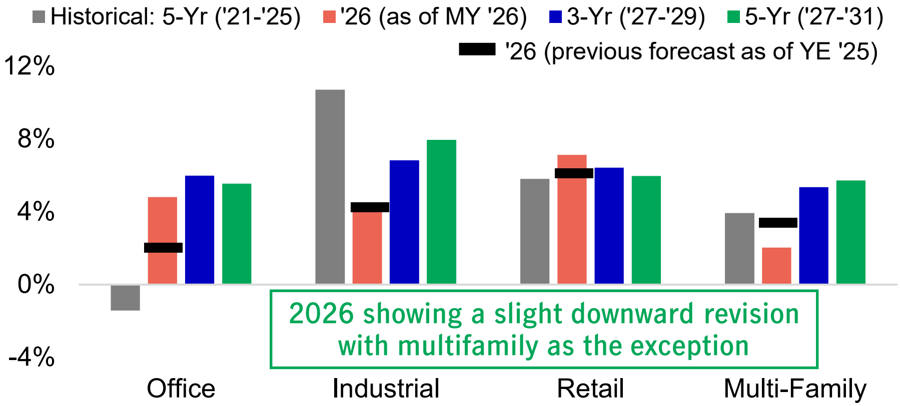
- **Rent growth expectations are largely in line with six months ago.** Near-term growth is adjusted downward across all sectors except retail, but stronger outer years trending towards sector averages.
- **Industrial rents are forecast to increase the most** by 3.4% on average annually but may be a more challenged in the near-terms due to tariff shocks.
- **Income returns hold strong and anchor total returns,** with capital appreciation showing some green shoots that may be able to bring investors off the sidelines through year-end.
- **Demand rooted in structural demographic change** is driving heightened institutional interest in select undersupplied, alternative sectors such as senior living, student housing, and as investors seek diversification. These sectors are strategically poised for outperformance given combined stronger market interest and durable demand drivers.[1]
- **Investors likely to consider more opportunities based on conviction in their investment approach, tested over the last 12-18 months;** greater visibility into BoC policy and rate stability, despite energy and trade disruption; along with a focus on prime assets with optimal income-production and durable cashflow to circumvent geopolitical winds.

Historical Rental Growth & Forecast



Source: CoStar from 2017 to 2025 for Retail and Residential, CBRE from 2017 to 2025 for Office and Industrial, and Manulife IM Real Estate Research & Strategy Forecasts. Data as of July 2026.

Forecasted Annualized Returns by Property Type



Source: Manulife IM Real Estate Research & Strategy Forecasts. Data as of July 2026.

1 How Canada's Private Capital Firms Are Redefining Real Estate and Alternative Investing. Integrated-Equities. 2.24.26.

What's ahead in 2026 for the Canada Commercial Real Estate market?

EARLY 2026 THEMES HOLD STRONG, WITH RATE STABILITY AND AN ECONOMY AND LABOR MARKET THAT MANAGE TO CIRCUMVENT A DOWNTURN.

Resilience & Diversification

- **Stability and cash flow lay the foundation:** Investment in downturn-resilient sectors, high-quality assets, lower-cost markets; along with more rigorous risk assessment will ultimately provide a robust framework to capitalize on the next growth phase.
- **Policy standby supports transaction activity:** Rate cuts may be on hold but investors have more visibility into policy stance and potential for increases.
- **Demographic shifts reinforce selectivity:** A heightened appeal of sectors and markets with resilient demand and persistent undersupply.

Capitalizing on Bifurcation

- **Bifurcation a defining theme:** Differences across markets, locations, and quality continue to shape occupier and investor behavior, and a strategy to navigate performance dispersion.
- **Investor comfort with dispersion:** Performance divergence across sectors and geographies is becoming more widely accepted and underwritten, and offering risk mitigation.
- **Quality-capped performance unlocking opportunity:** Limited upside in lower-quality assets is creating selective selling windows, especially with further valuation corrections ahead.

Infrastructure Investment

- **Federal budget strengthening the investment backdrop:** Infrastructure funding to support long-term job creation and development, particularly in manufacturing and distribution.
- **Capital investment pipeline benefiting multiple CRE sectors:** Planned investment spanning housing, R&D, and industrial modernization, will deliver direct and indirect CRE support.
- **Tailwinds for AI-adjacent demand:** Appetite for CRE that benefits from AI-driven economic and demographic growth becoming mainstream.

Live

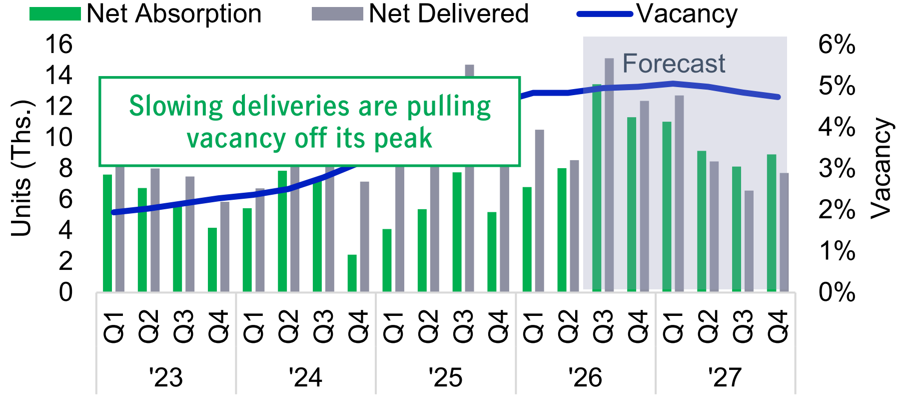
Canada Multifamily Fundamentals

SEVERAL COUNTERFORCES ARE CHALLENGING RENTAL DEMAND WHILE THE FOR-SALE MARKET STRUGGLES TO GAIN FOOTING.

Halfway through 2026, a correction appears to be in full swing, with intermediate and sporadic downside likely ahead to navigate while also capturing upside.

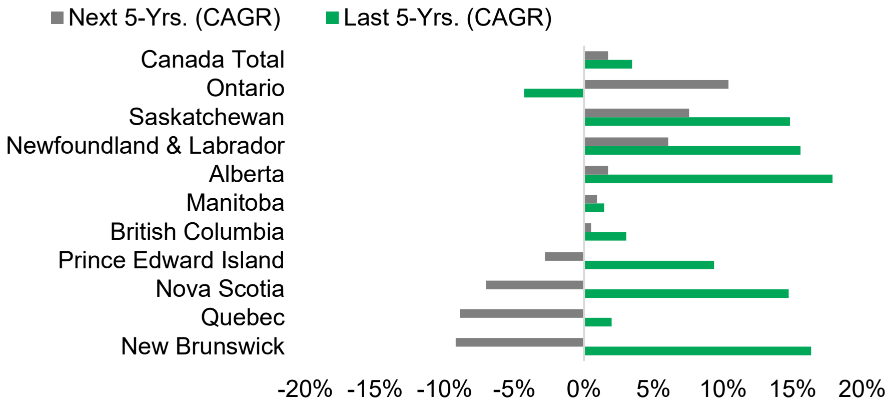
- **Demographic headwinds are weighing on demand**, but waning supply will help to offset. Canada recorded a 0.1% population contraction in 1Q following a 0.2% decline in 2025, while permanent immigrants fell 20.0% year-over-year.[1]
- **The sector is correcting from overheated conditions.** Occupancy declined to 95.2% at mid-year from more than 98.0% in 2023 as demand softened and new supply worked through the pipeline.[2]
- **Rent growth turned negative, and the degree of pullback varies among metros**. Average annualized asking rent growth fell 0.5% through mid-year, the first contraction on record, with softness concentrated in higher-rent units facing concessions and elevated turnover.[2]
- **Supply relief is meaningful but mismatched**. Net deliveries exceeded 37,000 units over the last 12 months—the highest on record—and construction underway will expand inventory by 7.3%, though concentrated in high-end space.
- **Investment remains significant but momentum is slowing**. 1Q volume reached $3.7B, up 27.4% year-over-year but down 21.1% quarter-over-quarter, while year-to-date activity pulled back more than 50.0%.[2,3]
- **The near-term outlook is weak, yet chronic undersupply and affordability needs preserve long-term investment relevance** and will move the market towards equilibrium.

Supply and Demand



Source: Costar. Data as of July 2026.

Housing Starts by Province (Historical & Forecast)



Source: Oxford Economics. Data as of July 2026.

1 Canada's population drops in first quarter of 2026. CBC. 7.7.26. 2 CoStar. As of 2Q26. 3 Canada Investment Overview. CBRE. 1Q26.

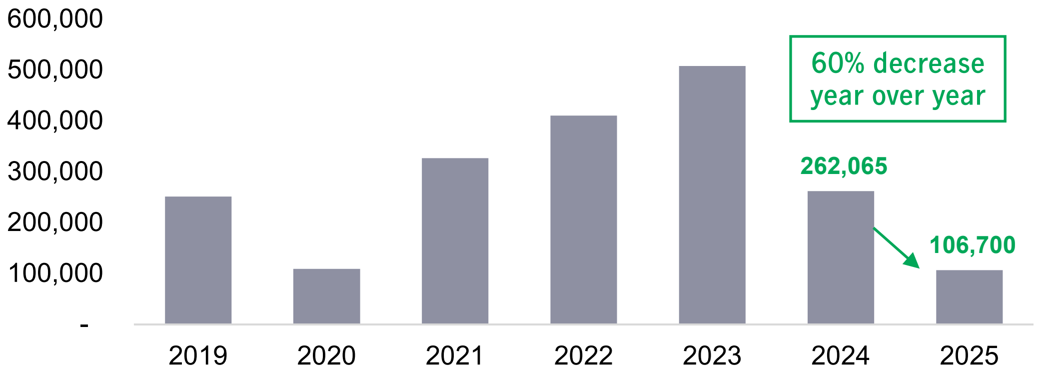
Manulife Investment Management

Student Housing

UNIVERSITIES MORE INSULATED AND SECONDARY MARKETS SURFACE.

- **Sector is adapting to the structural shift in demand,** as immigration caps are extended and potential effects prolonged, with a focus on capitalizing on domestic enrollment efforts benefitting secondary market growth.
- **Though market-rate oversupply creating select pockets of improved** affordability and availability, provision rates remain low. [1]
- **Measures are encouraging streamlined development** through policy inclusion of PBSA for low interest development loans.[2]
- **College-oriented markets higher risk** as domestic enrollment pivots to Universities, many of which are also maintaining visa allotments.[3]
- **Occupancy trending slightly lower**, but healthy to market-rate rental; extended leasing timelines warrant operational expertiese.[3]

Student Visa Grants (2019 to 2025)



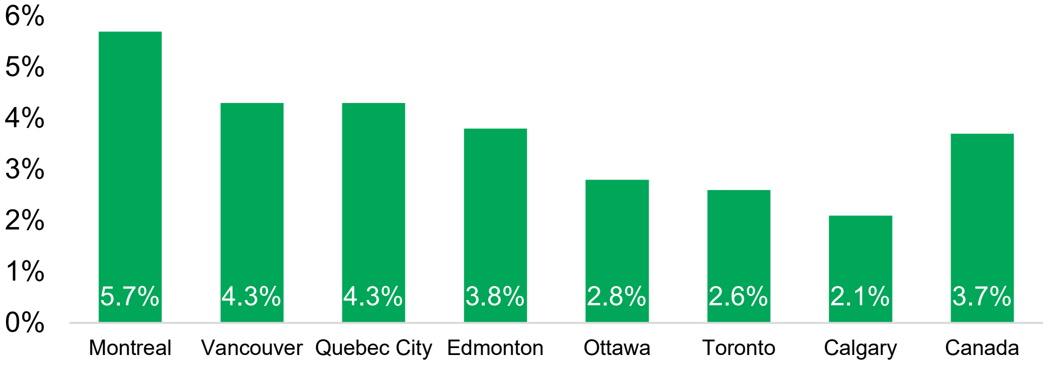
Source: Bonard. Data as of July 2026.

Senior Living

DEMOGRAPHICS DRIVING EXPANSION AND INSTITUTIONAL ACTIVITY.

- **Investment increasing**, supported by the sectors expansion across a continuum of care and policy abatements on new development.
- **More than 20% of Canada's population is aged 65+**, doubling in size over the last 25 years; underpinning a need for improved social infrastructure to support demand rebound after Pandemic slowdown.[4]
- **Supply gap is estimated to be between 200k to 450k units** over the next decade, with just 450k of current units; annual starts trending at less than 1.0% of inventory. [5,6]
- **Labor shortfalls are leading to increased operational intensity** and efficiency measures, particularly through technology.[5]
- **Income growth reflected in higher valuations**, based on ability to generate income, with a shift towards Class A, high income assets.[7]

Market Rent Growth (2020-2025 CAGR)



Source: Canadian Diversified Property Sector Update. 12.20.25. Green Street.

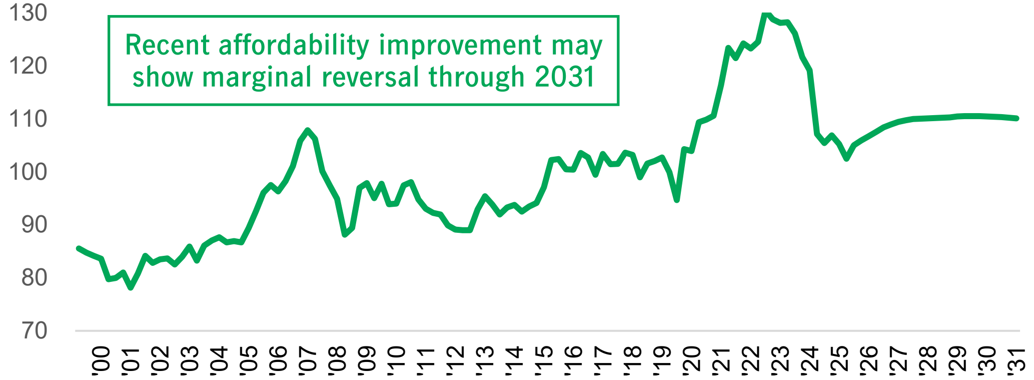
1 2026 Canadian Housing Investment Outlook. Insights by the Growth CPA. 2.19.26. 2 The Canadian Student Housing Opportunity. Peak Hill Capital. 5.29.26. 3 "A moment for clarity": Key takeaway from Bonard's Student Housing Summit. Green Street. 6.1.26. 4 Canadian Diversified Property Sector Update. 12.20.25. Green Street. 5 Cushman's McCroirie on 200,000-unit supply gap in Canada's senior housing. Green Street. 4.30.26. 6 Seniors Housing Fundamentals. Cushman & Wakefield. 5.12.26. 7 Newmark senior-housing pros predict record 2026. Green Street. 3.11.26.

Affordable & Attainable Housing

HEADWINDS MAY CHALLENGE STREAK OF AFFORDABILITY IMPROVEMENT.

- **Labor market volatility and steady rates pose threats** to current affordability levels, which have recovered close to pre-pandemic levels; single-family price declines may buffer impact in some metros.[1]
- **Energy prices reigniting inflation and operational costs** further impacting affordability and hindering cost optimization in operating affordable and workforce housing.
- **Short term affordability relief prevalent in urban nodes** with oversupplied condo stock, along with recent rent declines.[2]
- **New affordable inventory constrained** by regulatory and development hurdles creating more complexity and longer timelines while existing inventory ages and comprised of lower quality units.[3]
- **Affordable offers cashflow stability upside** with lower leasing risk, lower turnover and stickier tenancy while supply remains constrained.

Canada Housing Affordability Index (2000 to 2031F)



Source: Oxford Economics. Data as of July 2026.

1 Housing Affordability Monitor. National Bank of Canada. 5.26.26. 2 Beyond Toronto and Vancouver. Affordability challenges spread across Canadian cities. CMHC. 2.25.26. 3 Out of Reach: Unlocking Canada's housing affordability crisis. Standing Senate Committee on Banking, Commerce and the Economy. January 2026.

Manulife Investment Management

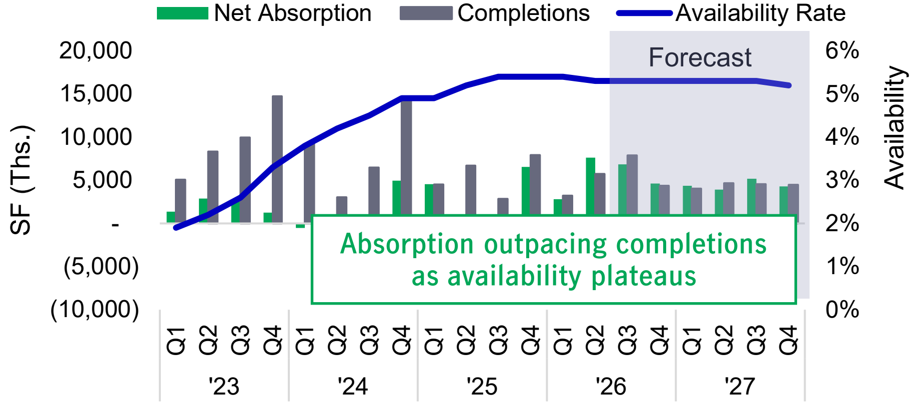
Canada Industrial Fundamentals

DEMAND INDICATORS TRENDING POSITIVE EVEN THOUGH NORMALIZATION IS SOMEWHAT PROLONGED DUE TO TRADE AND ENERGY DISRUPTION.

A lack of CUSMA extension may be a hinderance, but supply chains are already reconfiguring, with upside ahead through reshoring and trade partner diversification.

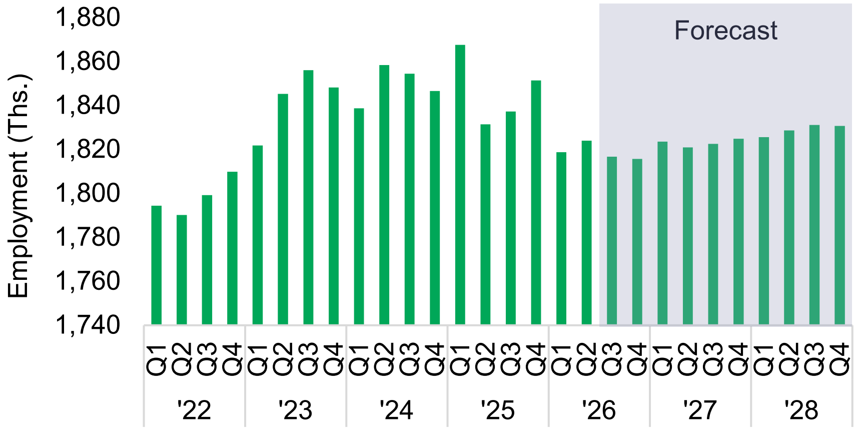
- **Industrial remains resilient but exposed to trade and energy shocks.** Manufacturing sales rose 4.2%, supported by a 22.6% increase in petroleum and coal products and a 56.3% rise in related exports.[1]
- **Cost pressure is shaping occupier behaviour**. The Industrial Product Price Index rose 2.0% month-over-month and 11.4% year-over-year; even excluding energy, costs are still up 7.6% year-over-year.[2]
- **Leasing fundamentals are healthy but rent growth is resetting**. 2Q net absorption held near 4.0MSF and vacancy down 10 bps to 4.1%, and net asking rents declined 3.9% year-over-year.[3]
- **Development risk remains concentrated in larger-bay product**. More than 25.0MSF is underway and just over 50.0% pre-leased.[3]
- **Investor appetite is holding up**, with an increase in quarter-over-quarter trades by 3.1% to $3.1B, and preliminary 2Q data showed volume up 18.6% quarter-over-quarter and 42.5% year-over-year.[3,4]
- **Investors focusing on structural drivers that will advance long-term growth**. Retail sales are expected to remain pressured as consumers balance persistent inflation and labour market volatility, likely putting warehouse occupancy at heightened risk, while supply chain reconfiguration may be a detriment to some industrial nodes but a benefit to others[5]

Supply and Demand



Source: CBRE. Data as of July 2026.

Manufacturing Employment



Source: Statistics Canada. Data as of July 2026.

1 Monthly Survey of Manufacturing, April 2026. Statistics Canada. 6.15.26. 2 Industrial product and raw materials price indexes, May 2026. Statistics Canada. 6.18.26. 3 CBRE-EA. As of 2Q26. 4 Canada Investment Overview. CBRE. 1Q26. 5 Canadian Industrial Sector Update. Green Street. 6.5.26.

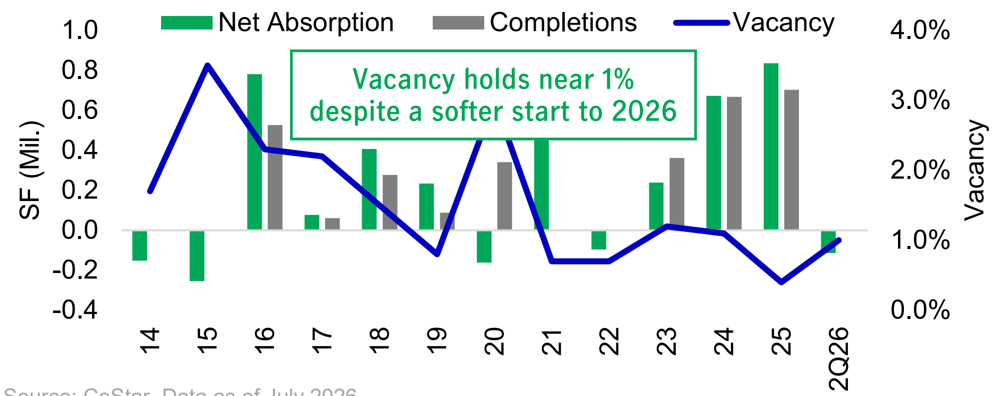
Manage & Optimize

Cold Storage

SECTOR PROVING TO BE A KEY COG IN SUPPLY CHAIN RESILIENCE.

- **Persistent supply chain disruptions anchoring need for cold storage,** as Canada seeks to diversify trade markets.
- **Energy shock has reignited inflation, trickling into food prices**. Rising efforts to procure food – specifically protein – from more affordable areas and foods that require less processing driving broader cold storage expansion.[1]
- **Increased demand could result in near-term undersupply** with ongoing supply chain reconfiguration. Longer-term, cold storage capacity is expected to grow more than a third by 2030.[1]
- **Sector is leaning heavily on data and AI for performance optimization**, particularly in developing and maintaining energy-efficient and sustainable refrigeration systems, which is shaping an evolution in warehouse infrastructure investment.[2]

Supply and Demand



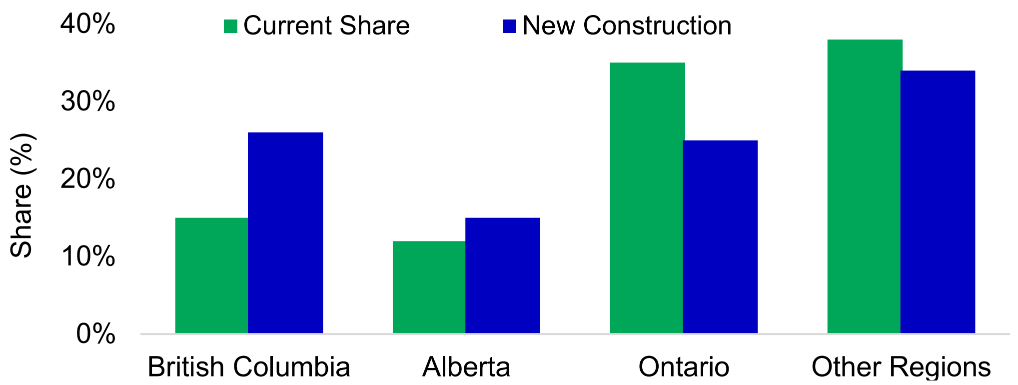
Source: CoStar. Data as of July 2026.

Self Storage

HOUSING MARKET DYNAMICS WEIGHING ON SECTOR PERFORMANCE.

- **Headwinds across single- and purpose-built rental housing** likely to continue challenging the self-storage market.
- **Home price declines are hampering resales**, exacerbated by demographic shifts – specifically immigration caps – and a downturn in household formation and reinforcing captive residents and less transiency, translating to lower self-storage demand.[3]
- **A limited pipeline as developers are challenged with rising costs** may help to offset muted demand, and Canada is already undersupplied at ~3 SF/capita versus the U.S. at 8 SF/capita. Around 3 MSF is currently underway.[3,4]
- **Select over supply risk in select nodes** where rental demand accelerated to record highs; urban occupancy rates higher; operators leaning more on vertical integration and technology efficiencies.[4]

Self-Storage Supply Shifting to West Coast (2025-2028)



Source: Canadian Self-Storage Market Trends for 2026. Storage Near. 12.31.26.

1 Driving the cold chain. Cold Facts Issue One. Global Cold Chain Alliance. 2026. 2 2026. Lineage Cold Chain Insights Survey. Lineage. 6.2.26. 3 Diversified/Self-Storage. Green Street. 2.13.26.
4 Canadian Self Storage Outlook 2026. Canadian Storage Information. 1.15.26.

Procure & Secure

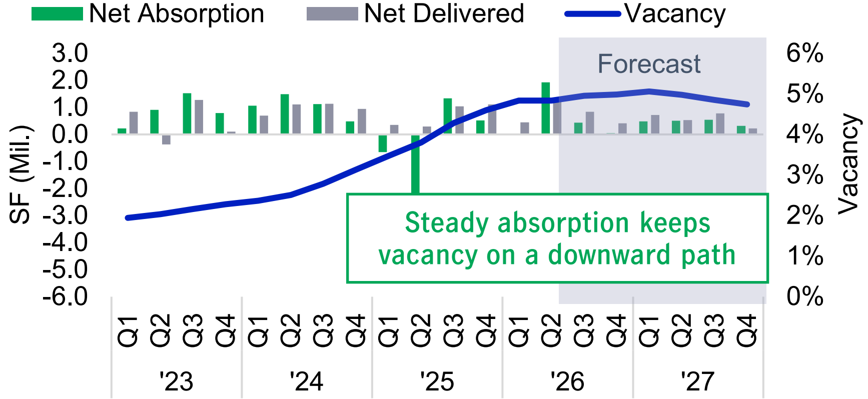
Canada Retail Fundamentals

MARKET AND ASSET SELECTION HIGHLY CURATED, WITH BESPOKE BUSINESS PLAN EXECUTION READY TO CAPITALIZE ON STRUCTURAL CHANGES.

Consumers are spending and many retailers are stable to growing. Pockets of contraction exist but are not yet translating meaningfully into the retail space market.

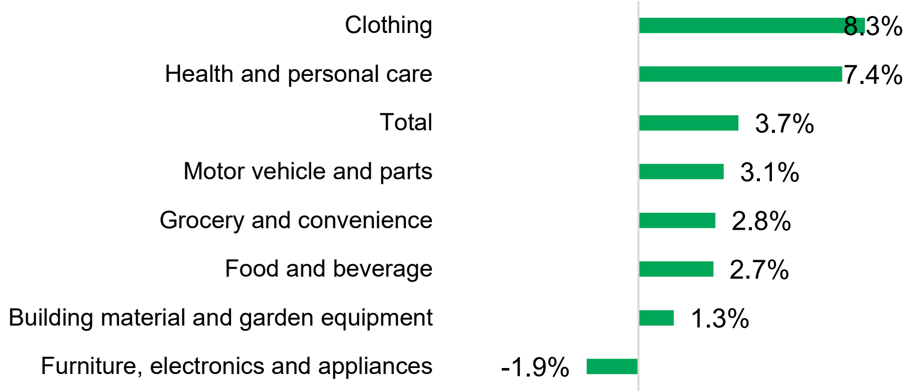
- **Retail fundamentals remain resilient despite consumer stress.** Retail sales rose 0.5% in April, heavily influenced by a 5.1% rise in fuel costs.[1]
- **Consumers are value-oriented**. The savings rate fell to 3.5% in 1Q from 5.3% a year earlier, reinforcing demand for necessity, service, and off-price retail.[2]
- **Vacancy remains the tightest among traditional sectors** at just 2.5% – only slightly above the 2.3% long-term average, and demand is steady with 3.8MSF of net absorption over the last 12 months.[3]
- **Development is returning but remains disciplined**. 1.3MSF was completed in 2Q26 and just under 4.0MSF over the last 12 months, but the 6.5MSF underway represents less than 1.0% of inventory.[3]
- **Capital markets are softer but investor conviction remains**. 1Q26 volume totaled $1.7B, down roughly one-third both quarter-over-quarter and year-over-year, while Green Street expects retail IRRs of 6.25% to 7.25%.[4,5]
- **Retail will always be hyperlocal with growing regional disparity**. Factors such as socio-economic gaps; a shallower middle-income segment; reignited inflation; aging population and slowing to negative population growth may actually unlock opportunity. These shifts are poised to generate and advance growth for specific retailer and asset types.

Supply and Demand



Source: Costar. Data as of July 2026.

Retail Sales Growth (Year-over-Year)



Source: Statistics Canada. Data as of July 2026.

1 Retail trade, April 2026. StatCan. 6.19.26. 2 Current and capital accounts - Households, Canada, quarterly. Statistics Canada. 5.29.26. 3 CoStar. As of 2Q26. 4 Canada Investment Overview. CBRE. 1Q26. 5 Canadian Commercial Markets Observer. Green Street. 6.25.26.

Produce & Create

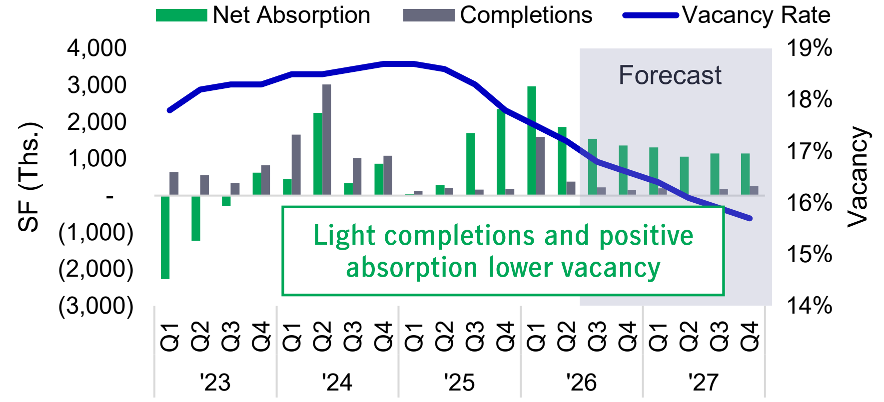
Canada Office Fundamentals

LEASING VELOCITY IS ON THE RISE AND DEVELOPING MOMENTUM COULD SIGNAL BROADER OPPORTUNITY ON THE HORIZON.

Incremental progress towards long-term transformation should mitigate further major declines, and is already starting to enable the sector to move beyond disruption

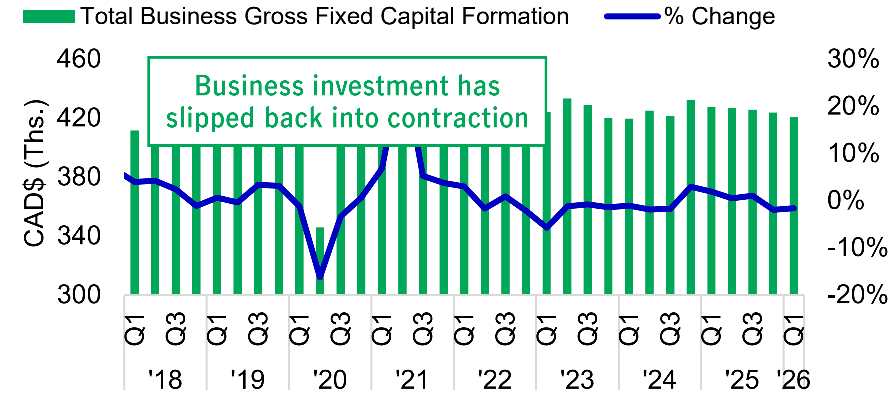
- **Office is improving but recovery remains narrow.** Vacancy is still elevated and bifurcated with overall and Downtown vacancy both above 17.0% while Trophy Downtown assets are materially stronger at 9.4%.[1]
- **Demand is trending up and gaining momentum**. Second quarter net absorption reached 1.2MSF, bringing year-to-date absorption to 3.5MSF—the strongest first-half total in more than five years.[1]
- **Sublease pressure is easing**, with availability down by 7.4MSF over the last three years, signaling a healthier demand backdrop despite uneven metro performance.[1]
- **Obsolete space removal remains critical.** Though development underway is at a 20-year low and conversions and demolitions continue, projects slowed in 2Q and obsolete space continues to weigh on vacancy and rent growth.[2]
- **Capital markets are cautious despite better pricing.** 1Q26 transaction volume rose 109.5% year-over-year to $1.7B, but 2Q CoStar data showed volume down 12.0% quarter-over-quarter and year-to-date trades down 45.4%.[1,2]
- **Structural shifts could propel growth**, including government incentives to diversify trade partners, reduce tariff exposure, and enhance nearshoring, with potential multiplier effects as provincial and metro economies gain traction.

Supply and Demand



Source: CBRE. Data as of July 2026.

Business Growth: Fixed Capital Formation



Source: Statistics Canada. Data as of July 2025.

1 CoStar. Data as of 2Q26. 2 CBRE. As of 2Q26.

Sustainability Integration

Sustainability Integration In Our House View: Market, Asset & Opportunity

- Our existing Real Estate Sustainability Framework integrates Manulife Investment Management's Sustainability mandates and programs into our Real Estate Business.
- The Manulife IM RE House View considers this framework through the lens of initial opportunity filtering and selection as described below in "Investment Selection & Screening: Initial screening."

Investment Selection & Screening

Initial Screening

Initial Analysis/ Underwriting

Approval Decision

Due Diligence & Decisions

Due Diligence

Finalize Deal

- Market Selection considers sustainability in identifying key target markets & submarkets
- Asset Selection integrates sustainability into our key considerations in evaluating assets for potential acquisition, varying by property type
- Opportunity Filtering considers sustainability in the prioritization of acquisition opportunities by our Acquisition Team

Key considerations as part of initial screening:

- Physical and Transition Climate Risk – From physical damage to a property to increased cost to decarbonize, both physical and transition risks threaten real estate asset cash flows and the future value of properties.
- Social Impact – Beyond serving as a risk mitigation tool, a 'social impact lens' can also open inclusive economic opportunities
- Regulatory environment – Governments are increasingly legislating sustainability requirements for real estate owners and managers focused on building energy use and/ or emissions reductions with can result in could lead to increasing operating and/or compliance costs.

Sustainability Considerations To Advance Opportunity Filtering

The below list of various considerations is not exhaustive and meant to work in tandem with the existing sustainability initial analysis checklist for initial filtering of potential acquisitions in support of prioritization for single-asset opportunities

	Climate and Nature	Social and People
Market Level	• Physical and transition climate risk • Local regulation and sustainability mandates • State/Local incentives, tax breaks • Biodiverse and sensitive lands	• Health and safety regulation • Local human rights risks • High levels of accessibility, walkability, transit • Diversified employment base
Asset Level	• LEED/BOMA BEST Certification • Low/net-zero carbon and energy ratings • Renewable energy sources used (or potential for) • Alternative transportation options and EV charging • Data availability • Biodiversity/Nature promoted • Materials and resources	• Community engagement program • Ethical supply chain/sourcing • Diversity in partner organizations • Potential for SEAM certification • Wellness amenities and accessibility features • Responsible contracting • Indoor air quality

Notes & Disclosures

Manulife
Investment Management

Notes & Disclosures

Investing involves risks, including the potential loss of principal. Financial markets are volatile and can fluctuate significantly in General Risks

General investment risks related to the ownership of real property include, among others, declines in the value of real estate, negative changes in the climate for real estate, risks related to general and local economic conditions, decreases in property revenues (including financial failure of tenants), increases in prevailing interest rates, property taxes and operating expenses, decreases in property revenue, changes in zoning laws and costs resulting from the cleanup of environmental problems. The value of real estate is typically dependent upon the ability or the potential for the applicable property to produce cash flow.

The basic risks of lending and direct ownership of commercial real estate mortgages include but are not limited to borrower default on the loan and declines in the value of the real estate collateral. Defaults can be complicated by borrower bankruptcy and other litigation including the costs and expenses associated with foreclosure which can decrease an investor's return.

Investments in debt instruments, whether senior or subordinated debt, public or private, secured or unsecured, or investment-grade or below investment-grade, include liquidity risk, interest rate/market value risk, credit risk/market risk, prepayment risk, ratings risk, exchange rate risk, and risk of bankruptcy. Investing in leveraged senior loans also involves additional risk that the collateral securing a loan decreases in value, is difficult to sell in a timely manner, is difficult to appraise and fluctuations in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. Investments in subordinated debt/loans involve additional risks and can be highly speculative, involving a high degree of risk of credit loss.

This presentation (the "Presentation") has been issued by Manulife Investment Management ("Manulife") and is being delivered on a confidential basis to a select number of institutional and sophisticated prospective investors (the "Recipients") to provide certain information in respect of Manulife's Private Markets strategy. Any Recipient who is not eligible to receive this Presentation should return it to Manulife immediately. Any reproduction or distribution of this Presentation, in whole or in part, or the disclosure of its contents to any person other than to a Recipient's professional advisers, without the prior written consent of Manulife, is prohibited. All Recipients agree they will keep confidential all information contained herein and not already in the public domain. By accepting this Presentation, each Recipient agrees to the foregoing.

This Presentation was prepared solely for informational purposes. Nothing in this material constitutes investment, legal, accounting, tax or other advice, or a representation that any investment or strategy is suitable or appropriate to investors should take appropriate professional advice before making any investment decision.

ESG Integration and Engagement

We consider the integration of financially material sustainability risks and opportunities in the investment decision-making process to be an important element in determining long-term performance outcomes and an effective risk mitigation technique. Our approach provides a flexible framework that supports implementation across different asset classes and investment teams; however, implementation may vary by strategy and may be impractical or impossible for certain investments (including, but not limited to, passive strategies, certain derivatives, client-specific constraints, or third-party managed mandates). Where we own and operate physical assets, we seek to weave material sustainability considerations into our operational strategies and execution. While we believe sustainable investing can support better long-term outcomes, there is no guarantee that the consideration of sustainability factors will ensure better returns. For some strategies, the use of exclusions, screening and/or thematic approaches may limit the range of investable assets and cause the strategy to forgo opportunities that may outperform over time. Please see our sustainability policies, statements and frameworks for details.

Manulife Investment Management conducts sustainability-related engagements with issuers but does not engage on all issues, or with all issuers, in our portfolios. We also participate in collaborative engagements where we may not set the terms of engagement. We maintain independence in determining engagement priorities, proxy voting and investment decision-making at all times, subject to applicable laws and regulations.

Any sustainability-related case studies are for illustrative purposes only, do not represent all investments made, sold, or recommended for client accounts, and should not be considered an indication of the ESG integration, performance, or characteristics of any current or future Manulife Investment Management product or investment strategy.
Any engagement-related case studies shown are illustrative of different types of engagements across our in-house investment teams, asset classes and geographies in which we operate. While we conduct outcome-based engagements intended to enhance long-term financial value, we recognize that our engagements may not necessarily result in outcomes that are significant or quantifiable. In addition, we acknowledge that any observed outcomes may be attributable to factors and influences independent of our engagement activities.

Manulife
Investment Management

Notes & Disclosures

Manulife Investment Management

The information provided does not take into account the suitability, investment objectives, financial situation, or particular needs of any specific person. You should consider the suitability of any type of investment for your circumstances and, if necessary, seek professional advice.

This material is intended for the exclusive use of recipients in jurisdictions who are allowed to receive the material under their applicable law. The opinions expressed are those of the author(s) and are subject to change without notice. Our investment teams may hold different views and make different investment decisions. These opinions may not necessarily reflect the views of Manulife Investment Management or its affiliates. The information and/or analysis contained in this material has been compiled or arrived at from sources believed to be reliable, but Manulife Investment Management does not make any representation as to their accuracy, correctness, usefulness, or completeness and does not accept liability for any loss arising from the use of the information and/or analysis contained. The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline, or other expectations, and is only current as of the date indicated. The information in this document, including statements concerning financial market trends, are based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. Manulife Investment Management disclaims any responsibility to update such information.

Neither Manulife Investment Management or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained here. All overviews and commentary are intended to be general in nature and for current interest. While helpful, these overviews are no substitute for professional tax, investment or legal advice. Clients should seek professional advice for their particular situation. Neither Manulife, Manulife Investment Management, nor any of their affiliates or representatives is providing tax, investment or legal advice. This material was prepared solely for informational purposes, does not constitute a recommendation, professional advice, an offer or an invitation by or on behalf of Manulife Investment Management to any person to buy or sell any security or adopt any investment strategy, and is no indication of trading intent in any fund or account managed by Manulife Investment Management. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Diversification or asset allocation does not guarantee a profit or protect against the risk of loss in any market. Unless otherwise specified, all data is sourced from Manulife Investment Management. Past performance does not guarantee future results.

About Manulife Wealth & Asset Management
As part of Manulife Financial Corporation, Manulife Wealth & Asset Management's mission is to make decisions easier and lives better by helping people invest confidently to pursue a more secure financial future. Our strength comes from the diversity of our global asset management expertise and distribution capabilities. Our global investment teams span equities, fixed income, alternative credit, private markets, and multi-asset solutions. We provide investment, financial advice, and retirement plan services to millions of individuals, institutions, and retirement plan members worldwide. At the heart of our approach are three cultural pillars: Partner for Progress, Trust through Transparency, and Intellectual Curiosity. These values shape how we build long- term relationships, develop differentiated investment strategies, and empower advisors and clients to seek meaningful financial outcomes. Whether through cutting-edge technology, AI innovation, personalized advice, or sustainable stewardship, Manulife Wealth & Asset Management is a trusted partner helping clients navigate complexity and invest with confidence. Not all offerings are available in all jurisdictions. For additional information, please visit manulifeim.com.

This material has not been reviewed by, is not registered with any securities or other regulatory authority, and may, where appropriate, be distributed by the following Manulife entities in their respective jurisdictions. Additional information about Manulife Investment Management may be found at manulifeim.com/institutional

Australia: Manulife Investment Management Timberland and Agriculture (Australasia) Pty Ltd, Manulife Investment Management (Hong Kong) Limited. **Canada:** Manulife Investment Management Limited, Manulife Investment Management Distributors Inc., Manulife Investment Management (North America) Limited, Manulife Investment Management Private Markets (Canada) Corp. **Chinese Mainland**: Manulife Overseas Investment Fund Management (Shanghai) Limited Company. **European Economic Area:** Manulife Investment Management (Ireland) Ltd. which is authorised and regulated by the Central Bank of Ireland **Hong Kong:** Manulife Investment Management (Hong Kong) Limited. **Indonesia:** PT Manulife Aset Manajemen Indonesia. **Japan:** Manulife Investment Management (Japan) Limited. **Malaysia:** Manulife Investment Management (M) Berhad 200801033087 (834424-U) **Philippines**: Manulife Investment Management and Trust Corporation. **Singapore:** Manulife Investment Management (Singapore) Pte. Ltd. (Company Registration No. 200709952G) **South Korea:** Manulife Investment Management (Hong Kong) Limited. **Switzerland:** Manulife IM (Switzerland) LLC. **Taiwan:** Manulife Investment Management (Taiwan) Co. Ltd. **United Kingdom:** Manulife Investment Management (Europe) Ltd**.** which is authorised and regulated by the Financial Conduct Authority **United States:** John Hancock Investment Management LLC, Manulife Investment Management (US) LLC, Manulife Investment Management Private Markets (US) LLC and Manulife Investment Management Timberland and Agriculture Inc. **Vietnam:** Manulife Investment Fund Management (Vietnam) Company Limited.

PM-51400 EN 2/25 RO 5855820