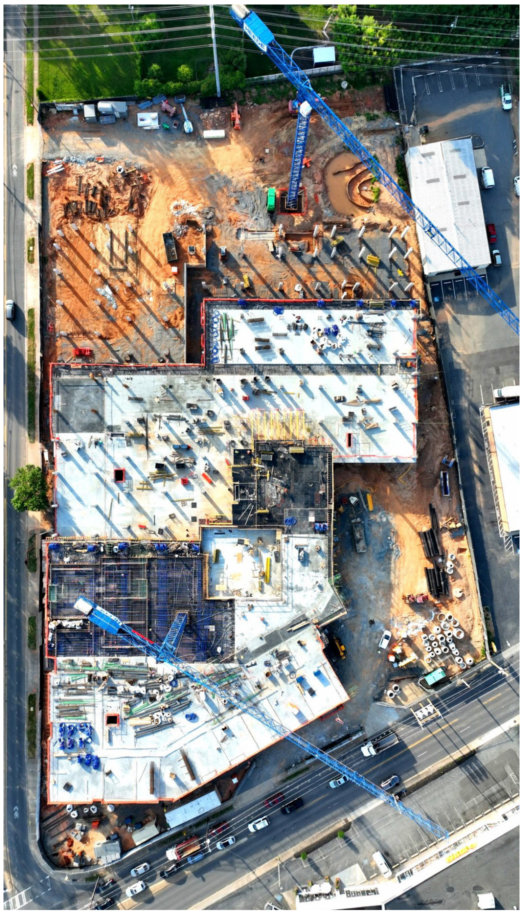
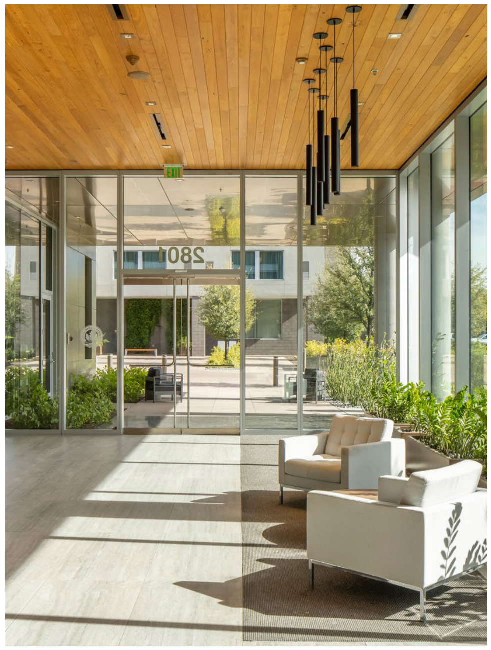
HUMPHREYS
REAL ESTATE INCOME FUND

Q3 2023 Valuation Report





From top left: Southerly at LoSo, Camelback Collective, Matadora. From bottom left: Carolina Pines Industrial Park, The Lofts at West 7th.

Q3 2023 HREIF Highlights

$138.75	**7.5%**[1]	**94%**[2]	**10.4%**[3]
unit price	annual cash yield	occupancy	same property NOI growth

Fund Update

Maintaining yield despite headwinds for real estate

During the third quarter, HREIF investors received distributions totaling $2.65 per unit, which is an annualized yield of 7.5%. The independent valuation process determined the fund distributed more value than its portfolio created over the quarter, and the unit price declined to $138.75 from $141.25 the prior quarter. Our objective is to manage cash flow to provide a stable distribution that is not affected by macroeconomic factors each quarter. We are also dedicated to reflecting the current market reality in a fairly stated unit price verified by an objective third party.

For the upcoming quarter, the Board of Directors will maintain a 7.5% yield on the new price, resulting in a quarterly distribution of $2.60 per unit. On an annualized basis, the change represents a reduction from $10.60 to $10.40 per unit.

Sustained higher interest rates and lingering economic uncertainty have a direct impact on the cap rates and discount rates used to assess real estate values. Overall transaction volume remains low across markets, suggesting a spread between resistant sellers and cautious buyers. While this presents challenges for price discovery, we agree with the fund's valuation advisor that the HREIF portfolio should reflect the trend we have seen in valuation multiples. For example:

- The cap rates used to value the convenience portfolio (predominantly QuikTrip) were increased by 25 bps, resulting in almost $5M of value reduction. While we receive third-party appraisals on half the stores each quarter, such macro-movements are applied to the valuation of all stores in the portfolio.
- Similar adjustments impacted our multifamily portfolio. Updated underwriting assumptions for The Lofts at West 7th resulted in a cap rate increase of 31 bps and $3.8M of value reduction.

These changes have little to do with the operations at the asset level, where QuikTrip remains an excellent tenant and multifamily occupancy is strong. They are indicative of cautious capital markets evaluating prospects for rent growth against rising expenses, including debt service, insurance, labor, supply chain, and tax assumptions.

Building value from the ground up

We are fortunate that a significant portion of the fund's value creation strategy employs opportunistic and value-add development, where investments benefit from premiums associated with construction, lease-up, and overall de-risking of assets. For example:

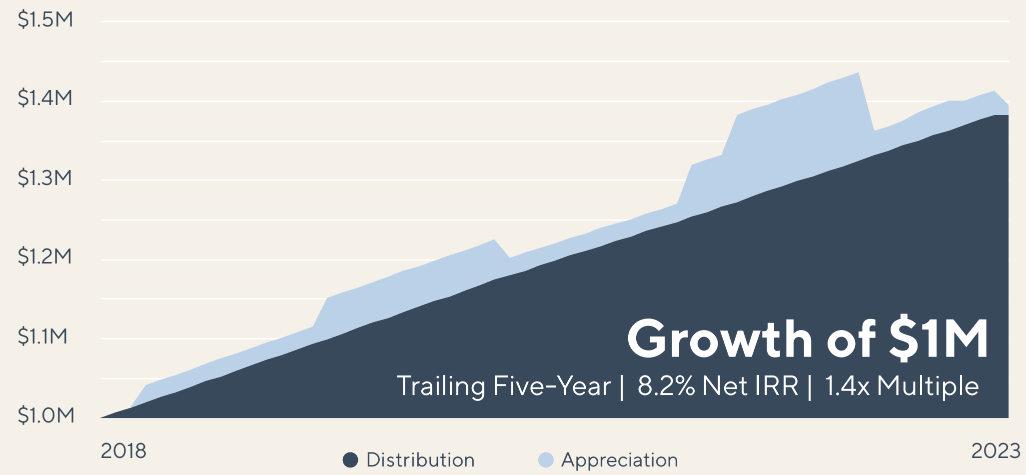
- The Clearing at ONE28 is a multifamily development in Olathe, KS, which received its first appraisal after being held at cost. The successful delivery and initiation of lease-up with good momentum lifted the value by $4.6M.
- Rent increases at Solano, a multifamily asset in Chapel Hill, NC, and the execution of a lease at Carolina Pines Industrial Park in Columbia, SC, increased values by $1.5M and $1.8M, respectively.
- We negotiated terms to exit investments at Liberty Hill in Austin, TX, and 475 Lincoln in Phoenix, AZ, at a sum of $1.6M higher than our previously assumed valuations.

We are monitoring these developments closely as our partners continue to execute similar value-creation strategies across the portfolio. As we evaluate new investment opportunities, we are maintaining a cautious posture, and we are negotiating terms with development sponsors that reflect our assessment of appropriate risk-reward splits.

HREIF continues modest growth through offering

Through the third quarter offering, the fund raised $4.9M of new equity and met 100% of its $2.3M redemption requests. We are grateful for HREIF's ability to attract and retain investors who share our long-term focus on stable income during all seasons. We firmly believe that real estate remains a time-tested, tax-efficient, and inflation-hedged strategy for stewarding and building wealth over the decades to come.

HREIF by the Numbers



Beginning Value	+	Appreciation	+	Distributions	=	Ending Value
$1,000,000		$12,774		$382,847		$1,395,620

7.5%
Targeted Annual Cash Yield

Portfolio[4]

66
Properties

$1.3B
TAV

18
Project Sponsors

Past Returns[5]

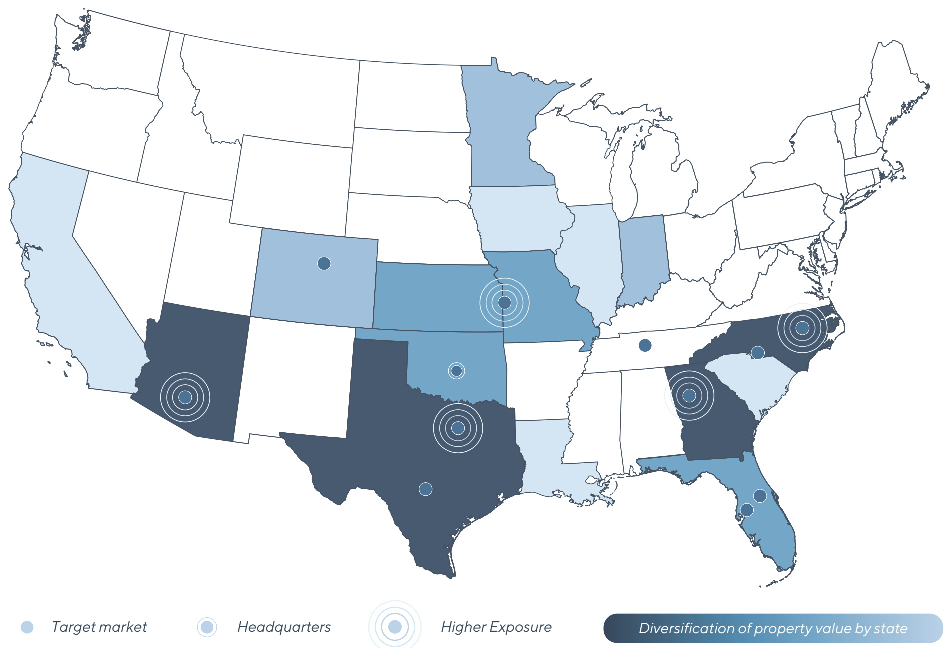
-2.6%
1-Year Net IRR

8.2%
5-Year Net IRR

13.2%
10-Year Net IRR

Market

HREIF targets high-growth metropolitan areas and select submarkets with multifaceted growth dynamics.



Raleigh-Durham 21%

Kansas City 11%

Dallas-Fort Worth 9%

Phoenix 9%

Atlanta 6%

Sector

The firm has expertise and deep-rooted relationships across its target sectors. As macro cycles and submarket dynamics fluctuate, the team adapts by analyzing a diverse opportunity set to select investments with strong potential in the current environment.

6,981
Multifamily Units

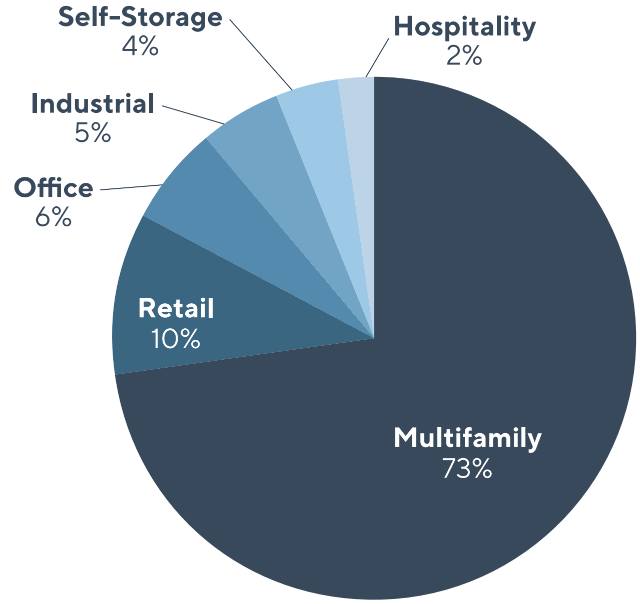
3,733
Self-Storage Units

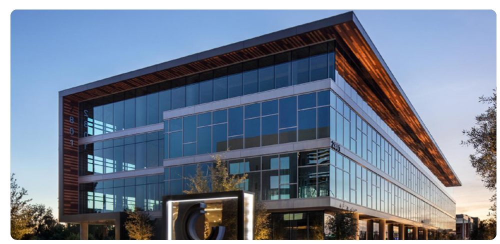
27
Retail Properties

1,069,239
Industrial Sq. Ft

160,657
Office Sq. Ft

537
Hotel Keys





Strategy

HREIF identifies complimentary core, value-add, and opportunistic development strategies that keep the team ready and relevant in the marketplace. The firm finds and creates value through stabilized net lease and multi-tenant properties as well as development projects that generate cash flow and capital appreciation.

Core 38%

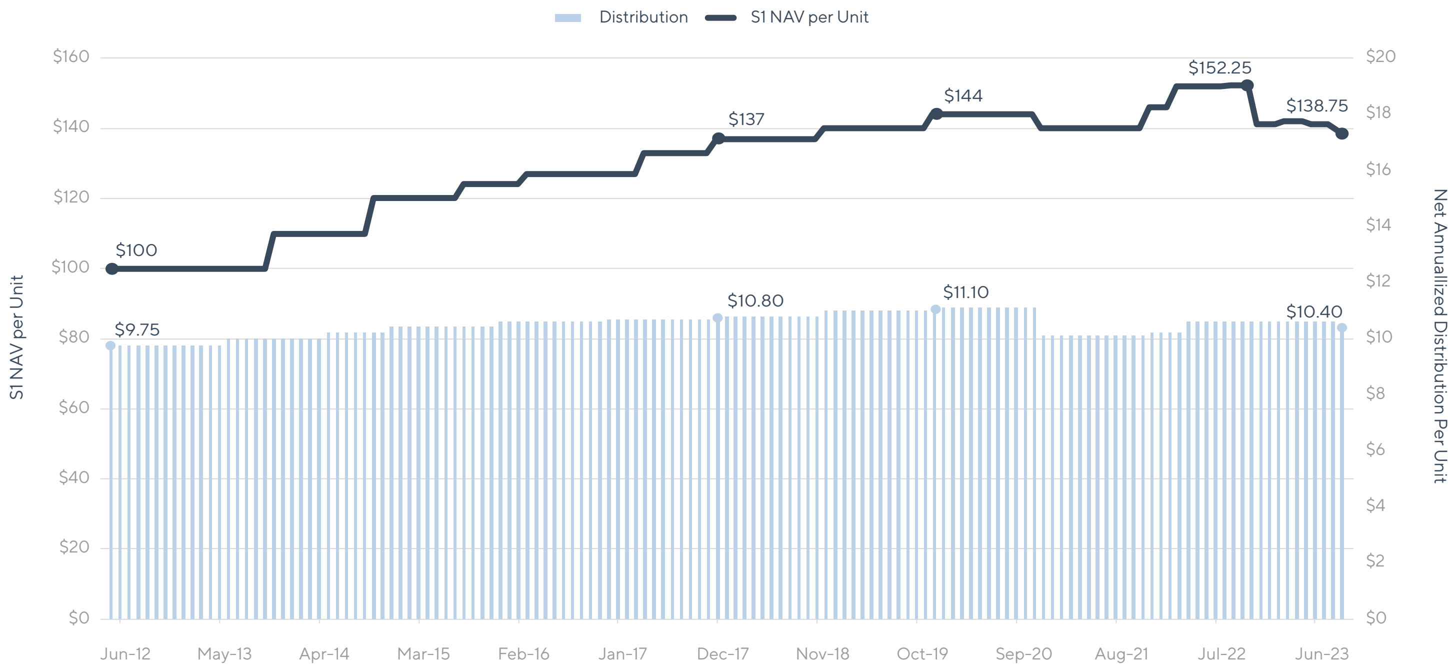
Value-Add 31%

Opportunistic 31%

Investor Overview[6]

748	$713K	$535M	$199M
Current Investors	Average Investment	Paid-in Equity	Total Distributions

Distributions[8]



Fund Terms

Structure	Perpetual life private fund with subsidiary REIT
Target Return	8-10% net annualized return over a long-term hold
NAV Per Unit	$138.75
Investor Suitability	Accredited Investors
Minimum Initial Investment	- $500,000 - $100,000 for clients of approved financial advisor platforms
Rolling Private Offering	- Series One NAV per Unit updated on the first business day of each quarter - Subscriptions must be received at least 15 days prior to the end of the quarter
Advisory Fee	0.65%
Hurdle Rate	6% annualized over trailing 36 months
Shared Distribution	Manager's catch up (inclusive of the Advisory Fee) is capped at 25% of total distributions
Unit Repurchase Plan[7]	- Quarterly after one-year lockup; 60 days written notice required - Fund can repurchase up to 2.5% of existing fund equity each quarter
Distributions[8]	- Monthly ($10.40 annualized) - Record date for monthly distributions are set by the Board as the 15th of each month
Tax Reporting	Form K-1; anticipated delivery in the summer of each year

Notes

This report is being furnished by Humphreys Capital, LLC and does not constitute an offer, solicitation, or recommendation to sell or an offer to buy securities, investment products, or investment advisory services. This report is being provided for general information purposes and is not intended to provide and should not be relied upon for accounting, legal, or tax advice or investment recommendations.

Past performance may not be indicative of future results. Performance information and certain projected or forecasted amounts contained in this report include assumptions that the Manager 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 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 there is no guarantee that the projected or forecasted returns will be achieved.

1. Yield is calculated as the annualized distribution paid during the second quarter divided by the second quarter offering price.

2. Occupancy is an important real estate metric because it measures the utilization of properties in the portfolio. Occupancy is weighted by the total value of all real estate properties, excluding our hospitality investments and any third-party interests in such properties. For our industrial, storage, retail, office, and convenience investments, occupancy includes all leased square footage as of the date indicated. For our multifamily investments, occupancy is defined as the share of occupied units as a percentage of total unit count. Assets within an initial lease-up period following construction are excluded from the calculation. The lease-up period concludes upon stabilization, defined as 90% or greater physical occupancy, and no later than 12 months after completion.

3. Same-property NOI growth is calculated based on trailing NOI at 9/30/2023 and 9/30/2022 based on the most current reports of underlying investments. All properties are measured with the exception of properties that did not have at least 6 months of historical NOI data as of 9/30/2022. Joint venture NOI is allocated pro rata based on HREIF's equity in the property.

4. Portfolio data is as of 9/30/2023 and includes all properties in Humphreys Real Estate Income Fund. Total Asset Value 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.

5. Past returns are as of 9/30/2023. Internal Rates of Return ("IRR") are calculated based on a stream of cash flows, the date of each cash flow and the NAV per Series One Unit as of the calculation date. IRRs represent an annualized return but assume reinvestment of interim cash flows in projects with equal rates of return.

6. Investor overview data is as of 9/30/2023 and includes all investor data since inception, 5/31/2012.

7. 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.

8. Monthly distributions are not guaranteed and may be funded from sources other than net operating income.