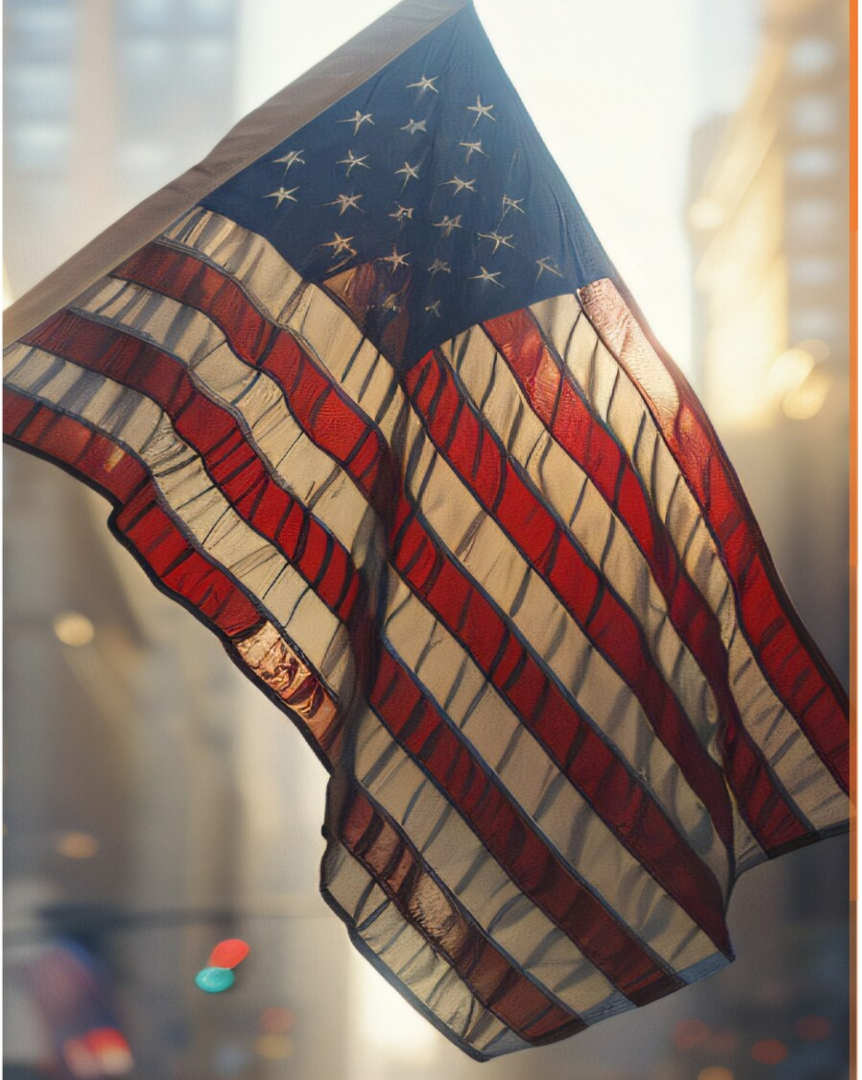
ativore
Asset Management

USA Real Estate Market Outlook

SECTOR OUTLOOK · 2025

March 2025



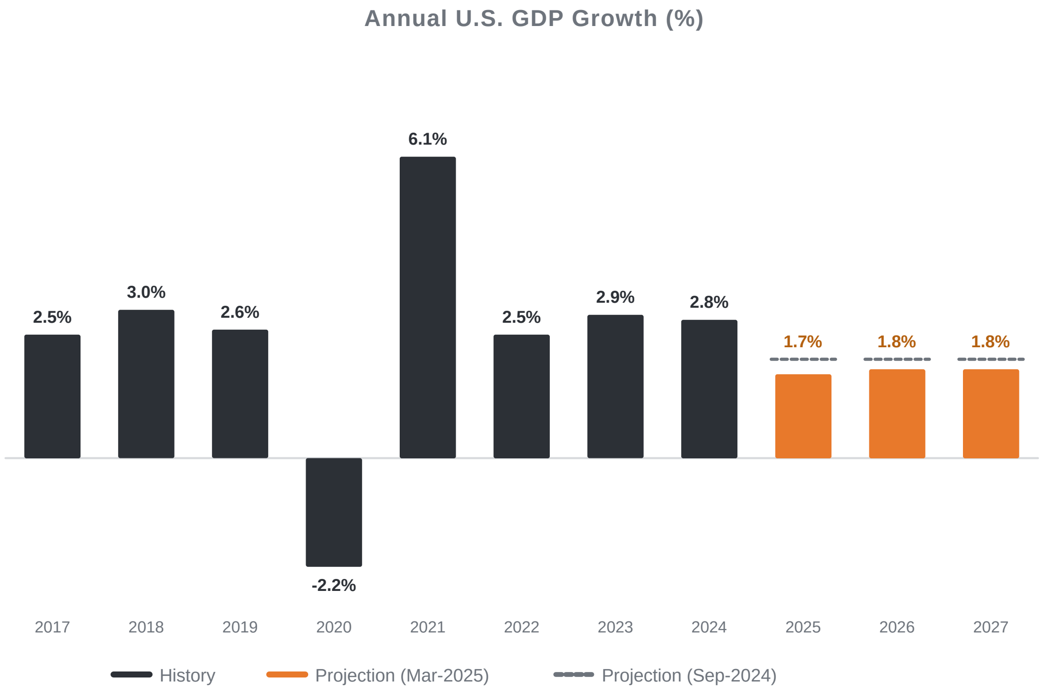
1

Macro Environment

The backdrop shaping U.S. real estate

Economic Growth

GDP surprised in 2024, but the geopolitical backdrop raises uncertainty



MACRO

Highlights

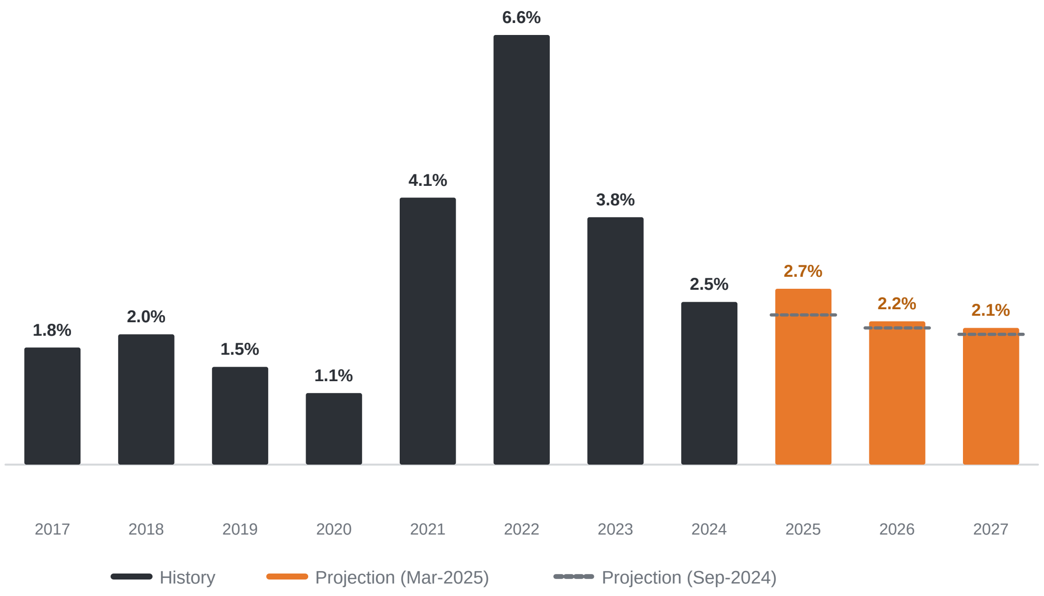
- Tariffs are affecting technology, manufacturing and global supply chains
- **Amid the uncertainty, the Fed cut its 2025 growth projection to 1.7%**
- GDP fell 0.3% in Q1 2025, driven by a surge in imports ahead of the new round of tariffs

Source: Federal Reserve Bank of St. Louis; Federal Reserve Board

Inflation

Tariffs revive inflationary pressures

PCE Inflation — annual (%)



MACRO

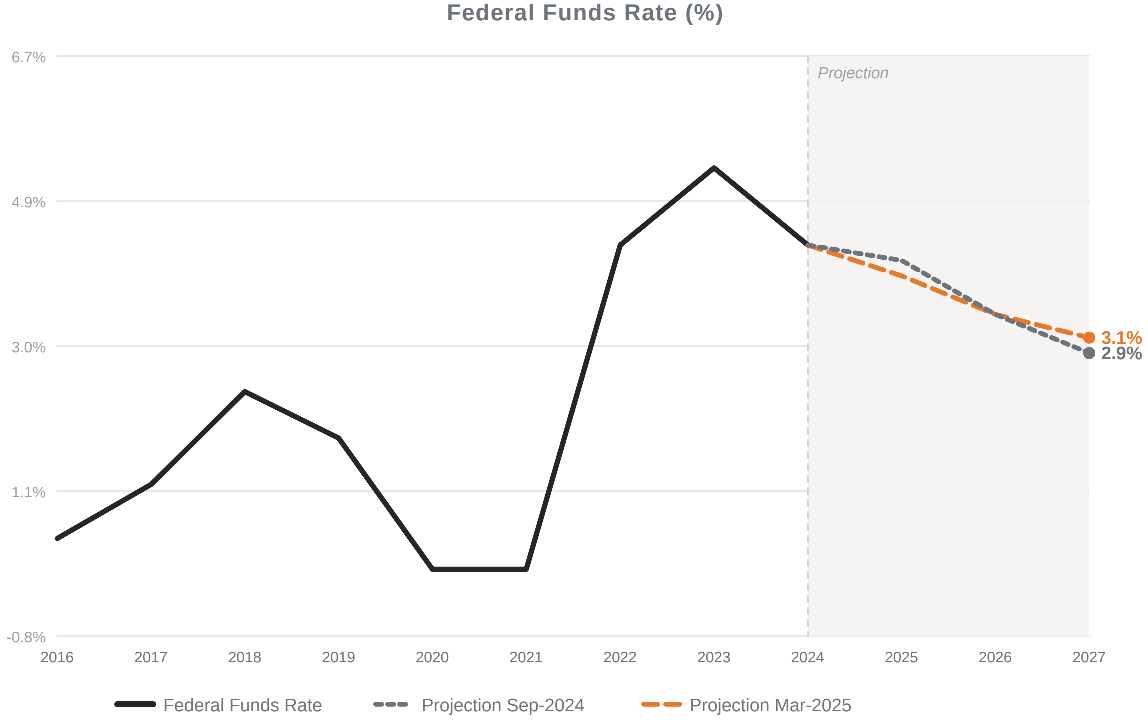
Highlights

- **Tariffs led the Fed to raise its 2025 inflation projection to 2.7% (from 2.3% in April)**
- Fear of stagflation is growing among economists and consumers, with falling confidence and rising inflation expectations
- If ongoing negotiations with several countries (incl. China) succeed, this scenario could ease — or even turn positive

Source: Federal Reserve Bank of St. Louis; Federal Reserve Board

Policy Interest Rate

The Fed adopts a cautious stance



MACRO

Highlights

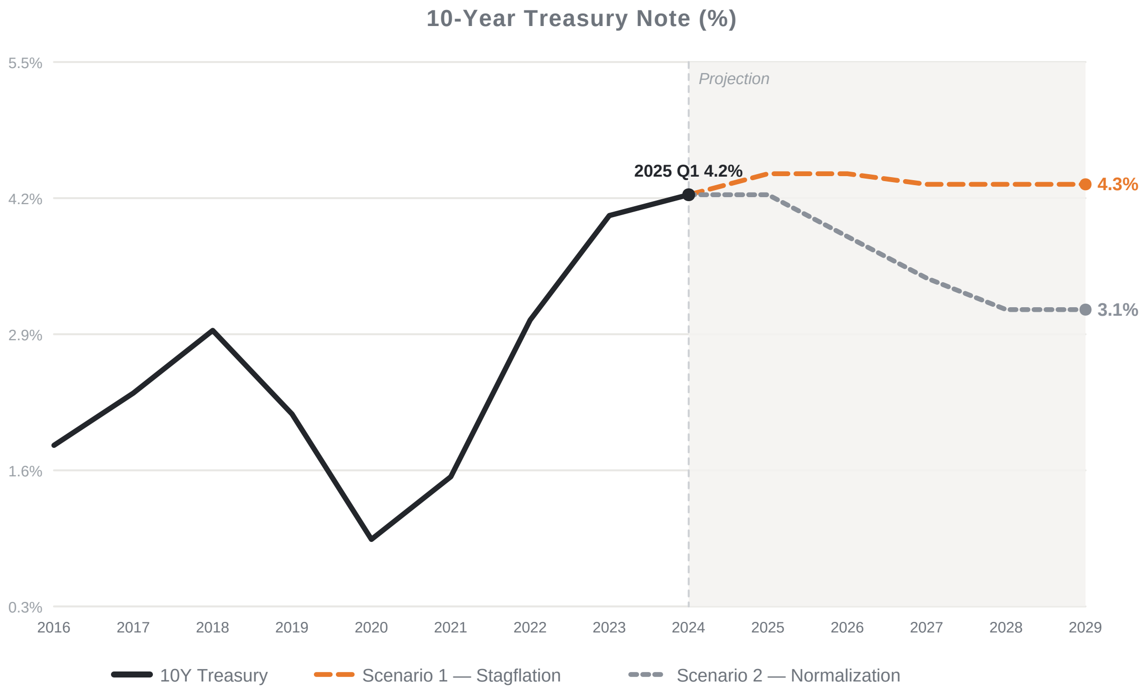
- **The Fed kept rates unchanged in 2025 and signaled two moderate cuts for the year, reflecting caution**
- In historical episodes of stagflation, the Fed prioritized economic growth even amid still-persistent inflation

Source: Federal Reserve Bank of St. Louis; Federal Reserve Board

10-Year Treasury Note

ativore Asset Management

Risk expectations regarding the macro environment pressure long-term rates (including mortgages)



MACRO

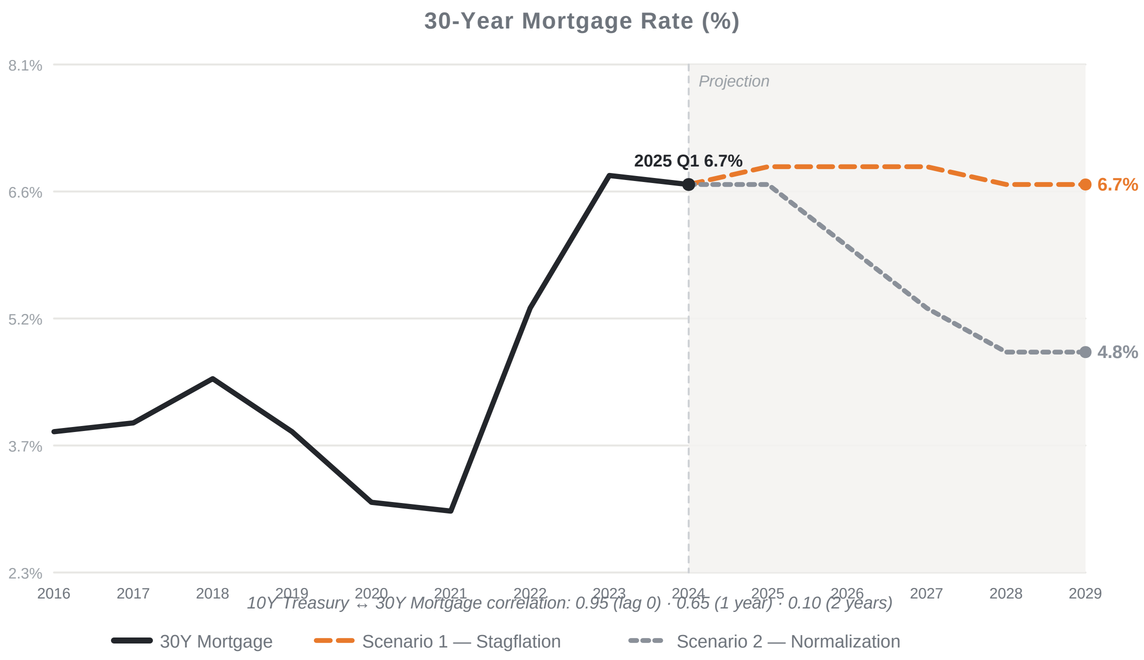
Highlights

- **Scenario 1 — Stagflation (decouples from the Fed): long rates stay elevated near 4.3–4.4%**
- Scenario 2 — Normalization (follows the Fed): long rates ease toward ~3.1% by 2029

Source: St. Louis Fed; Federal Reserve Board; Wells Fargo; Fannie Mae; MBA; Wall Street Journal

Mortgage Rates

Through 2026 mortgage rates should stay elevated, hampering refinancing and new projects and shifting demand toward rentals



MACRO

Highlights

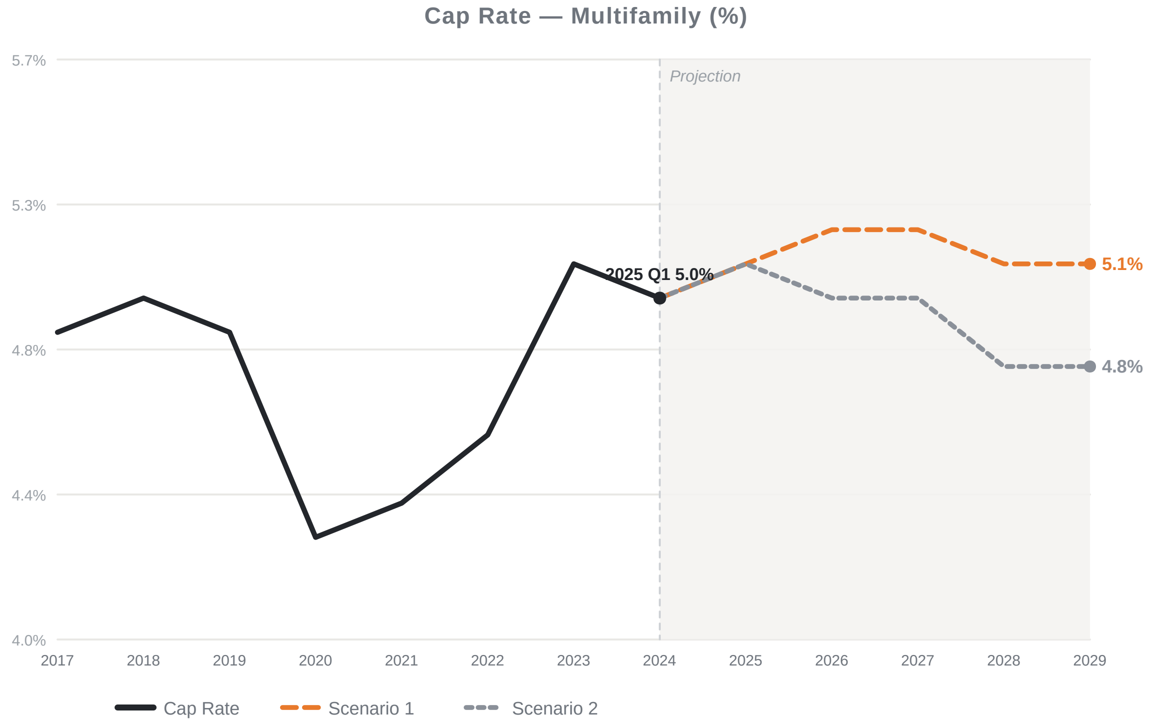
- **Window of Opportunity: capital gains from discounted acquisitions of operating properties**
- Scenario 2 opportunity: capital gains from cap-rate compression as rates normalize

Source: St. Louis Fed; Federal Reserve Board; Wells Fargo; Fannie Mae; MBA; WSJ; Ativore

Cap Rate (Rental Yield)

ativore Asset Management

Cap rates peaked and are stabilizing at the current level



MACRO

Highlights

- **The market stabilized at a new level; the key variables now become:**
- Market fundamentals, submarket and property quality
- Financing cost

Source: St. Louis Fed; Green Street; Wells Fargo; Fannie Mae; MBA; WSJ; Ativore

2

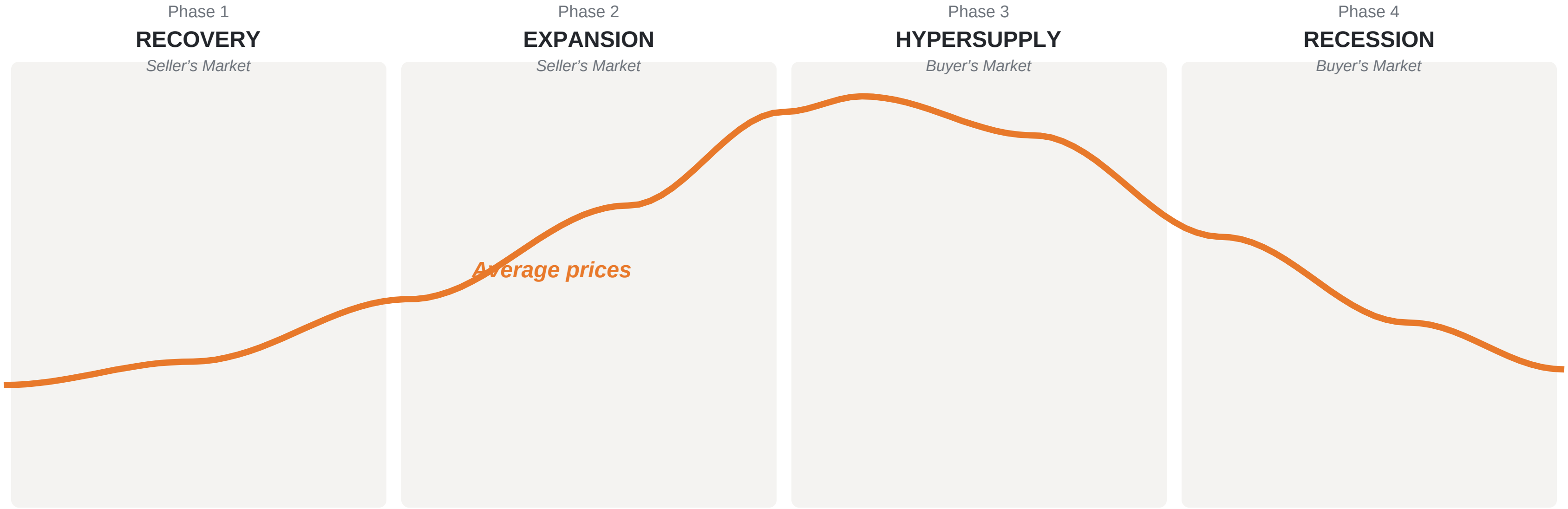
Sector Analysis

Positioning across the real estate cycle

Real Estate Market Cycle

ativore
Asset Management

Where each sector sits in the cycle defines its risk and its opportunity



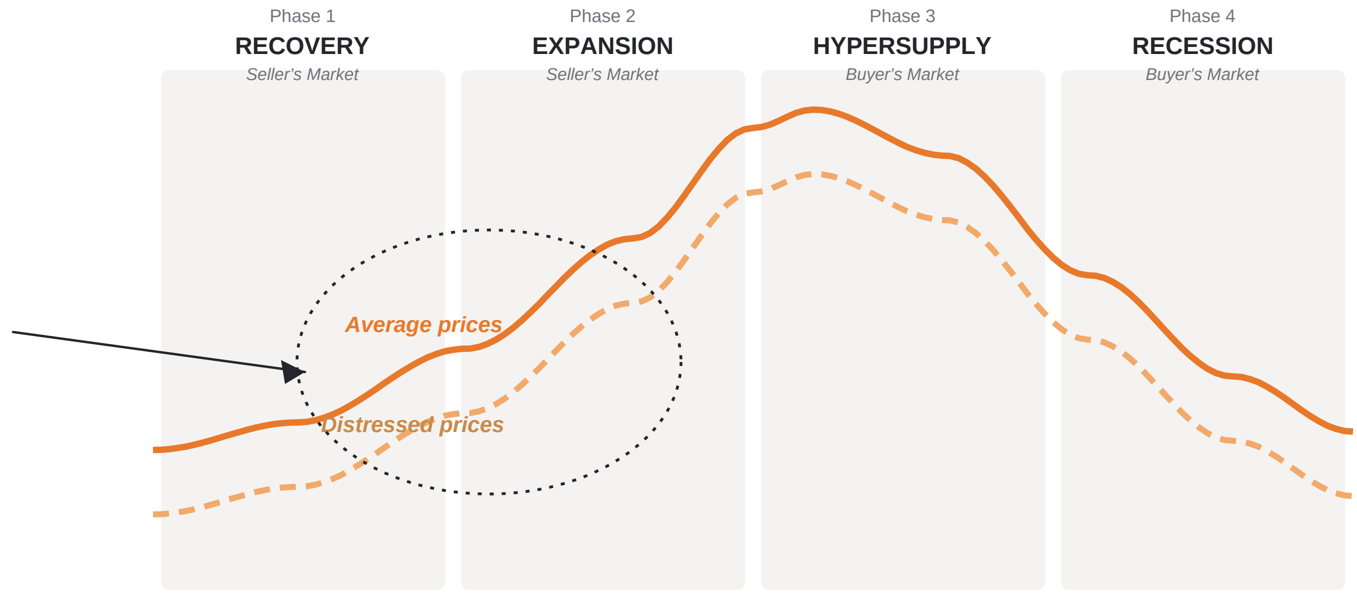
	Recovery	Expansion	Hypersupply	Recession
Vacancy	↓	↓	↑	↑
Supply change	↓	↑	↑	↓

Source: Ativore Asset Management (market-cycle framework)

Macro Environment: Opportunities

ativore Asset Management

The current high-rate environment creates opportunities to acquire distressed assets at opportunistic prices.

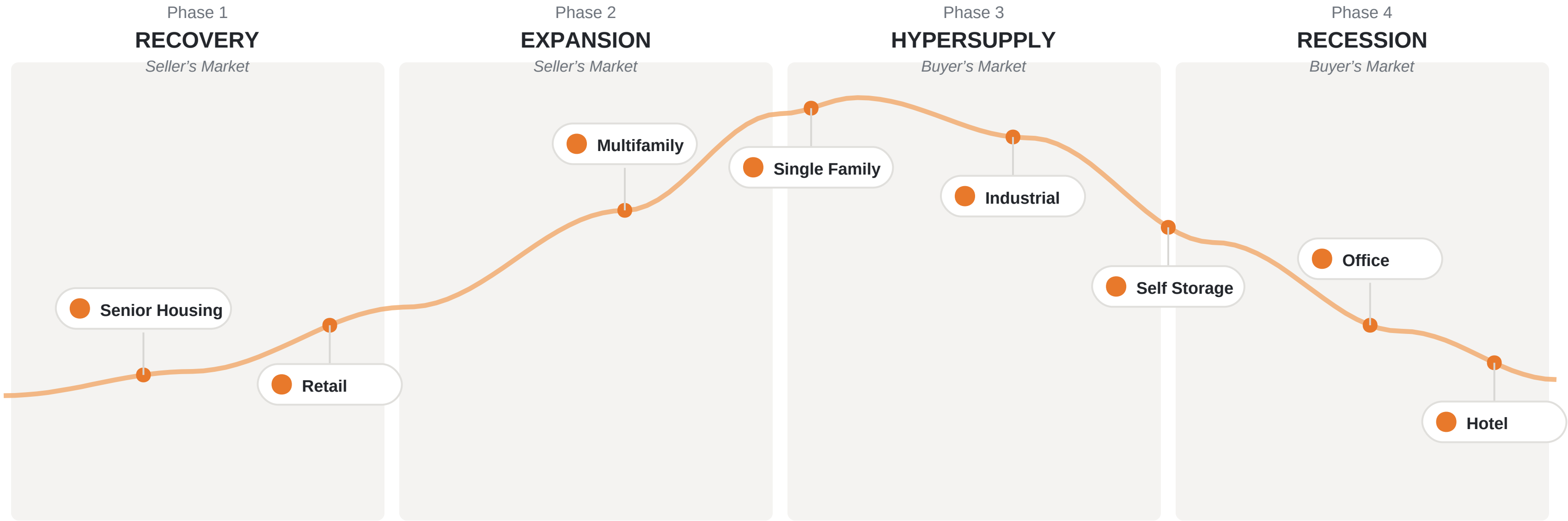


Source: Ativore Asset Management

Sector Analysis: Positioning

ativore Asset Management

Real estate is local, niche and less efficient than financial markets.

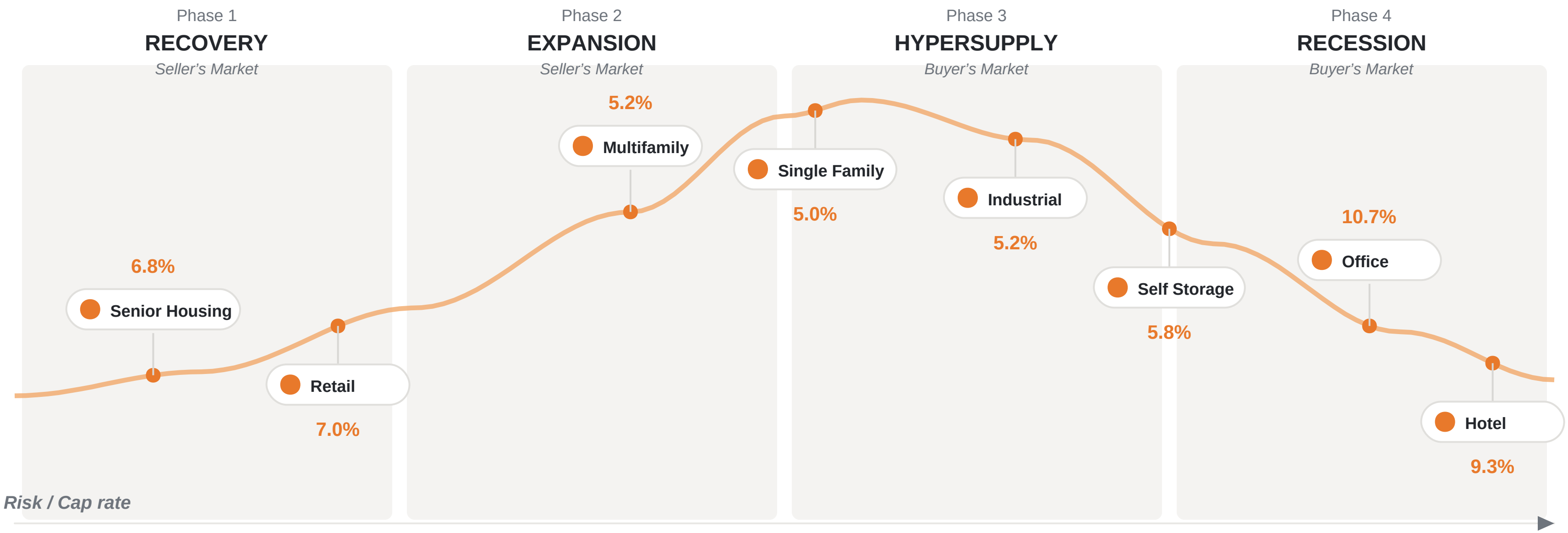


- Within an asset class there can be submarkets in every phase above
- Opportunities lie in exploiting inefficiencies in each submarket
- Success lies in deeply understanding the sectors and local markets

Source: Ativore Asset Management

Sector Analysis: Cap Rates by Phase

Figures below are averages — submarkets and segments vary widely.



- Cap rates rise with risk — lowest in stabilized sectors, highest in cyclical ones
- Office (10.7%) and Hotel (9.3%) price in the most stress
- Necessity-driven sectors (Retail 7.0%, Senior Housing 6.8%) balance yield and stability

Phase 1 — Recovery

ativore Asset Management

Phase 1 · Recovery — persistent demand drives a post-pandemic recovery

RECOVERY | EXPANSION | HYPERSUPPLY | RECESSION

Retail

7.0%

- Limited supply since 2008 and recovering rents since 2021
- High and stable cash flow

Focus: *necessity retail and essential services*

Senior Housing

6.8%

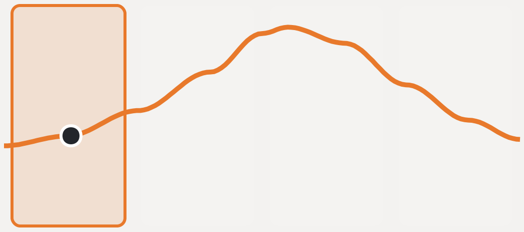
- "Silver Tsunami" — growth of the population over 75
- Operationally intensive; well-managed assets are strong cash generators

Focus: *premium properties with greater ability to pass through costs*

MARKET

Market Type

Seller's Market



Vacancy	Falling
Supply change	Falling

Phase 2 — Expansion

Ativore Asset Management

Phase 2 · Expansion — supply failed to keep pace with post-pandemic demand

RECOVERY | **EXPANSION** | HYPERSUPPLY | RECESSION

Multifamily
5.2%

- Persistent housing deficit; high prices and financing costs pressure rental demand

Focus: *properties with distressed financing structures*

Single Family
5.0%

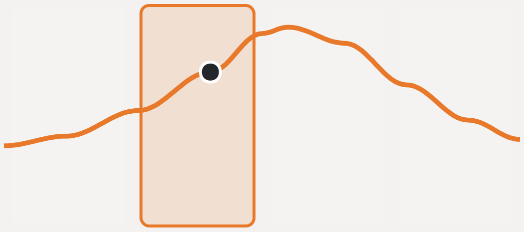
- Structural undersupply keeps occupancy high and rents resilient

Focus: *build-to-rent and construction with contracted costs*

MARKET

Market Type

Seller's Market



Vacancy	Low
Supply change	Rising

Phase 3 — Hypersupply

ativore Asset Management

Phase 3 · Hypersupply — post-boom in sectors heated by the pandemic

RECOVERY | EXPANSION | **HYPERSUPPLY** | RECESSION

Industrial

5.2%

- Strong structural demand driven by e-commerce and nearshoring, but with a post-pandemic supply boom

Focus: *class-A assets with long leases and resilient tenants in supply-constrained regions*

Self Storage

5.8%

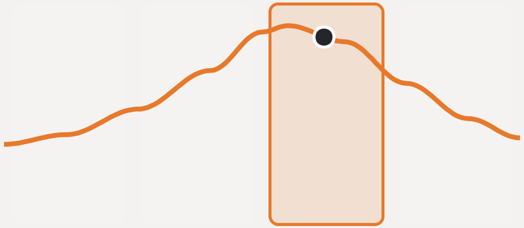
- Lightly institutionalized, with low product differentiation and intense post-pandemic competition

Focus: *under-managed assets with upside via repositioning strategies*

MARKET

Market Type

Buyer's Market



Vacancy	**Rising**
Supply change	**Rising**

Source: Ativore Asset Management

Phase 4 — Recession

ativore
Asset Management

Phase 4 · Recession — sectors structurally impacted by the pandemic

RECOVERY | EXPANSION | HYPERSUPPLY | **RECESSION**

Office

10.7%

- Structural drop in demand as the hybrid model advances
- Mixed-use conversion may be the solution for some properties

Focus: *deeply discounted assets with clear conversion or repositioning paths*

Hotel

9.3%

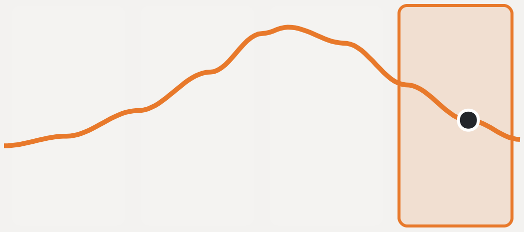
- Demand is highly sensitive to economic cycles
- The business segment faces headwinds from a structural reduction in travel

Focus: *leisure-focused, well-located assets with resilient brands*

MARKET

Market Type

Buyer's Market



Vacancy	High
Supply change	Falling

Legal Disclaimer

This important legal notice is an integral part of this material and was prepared exclusively by Ativore Gestora de Recursos Ltda. (“Ativore”), in its capacity as manager of the investment vehicles. The information set out in this material is for informational purposes only and should not be considered an investment recommendation or an offer to sell any securities. This presentation and the information contained herein should not be considered financial, legal, accounting, tax or investment advice, nor relied upon for any other purpose. Certain statements contained in this material constitute “forward-looking statements,” which are subject to risks, uncertainties and assumptions about us, and may include projections of our future financial performance, our future service offerings, our potential market opportunity, our anticipated growth strategies, and anticipated trends in our business. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. These statements are inherently uncertain, and the recipient(s) of this material are advised not to place undue reliance on such forward-looking statements as predictions of future performance or otherwise. The information provided herein regarding our industry and the markets in which we operate is based on information from various sources and on assumptions we have made from time to time. The information contained in this presentation does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, pay in, or otherwise acquire any of our securities or the securities of our subsidiaries or affiliates. The opinions expressed in this material are those of Ativore and are based on the date of its presentation, may change at any time, and do not take into account any fact that may have arisen after this date; Ativore is under no obligation to update this material. THIS MATERIAL MAY NOT BE REPRODUCED OR DISTRIBUTED, IN WHOLE OR IN PART, TO PERSONS OTHER THAN THE ORIGINAL RECIPIENTS.

About the Investment Vehicles

CONFIDENTIALITY. This material is strictly confidential, intended solely and exclusively for its recipient(s), and may not be copied, reproduced, transmitted or distributed, in whole or in part, without the express agreement of Ativore. NOT A COMPLETE DOCUMENT. This material presents summary information and is not a complete document. Prospective investors should read the constitutive documents of the investment vehicles, particularly the “Risk Factors” section. INVESTMENT RISKS. Although Ativore maintains a risk management system, it is not possible to predict all risks. Such risks include those inherent to an investment in real estate, systemic risk, atypical trading in the relevant markets, the use of leverage, the prolonged absence of liquidity, and the potential risk of losing the entire investment. Ativore's investment vehicles are not guaranteed by the administrator, the manager, any insurance mechanism or the Credit Guarantee Fund (FGC). PROJECTIONS MAY NOT MATERIALIZE. Any projected returns or expectations set out in this promotional material shall not represent, and shall not be considered, promises, guarantees or suggestions of minimum or guaranteed future returns to investors.

Legal Disclaimer

Past performance is not a guarantee of future results. Given the uncertainties involved in estimates and forward-looking statements, investors should not rely on them when making an investment decision in these investment vehicles. Prospective investors should make their investment decision considering their financial situation, investment objectives, level of sophistication and risk profile. TAX INFORMATION AND OTHER COSTS. The recipient(s) of this material should independently consider the tax burden and operating expenses incurred at each stage of the transaction, particularly with respect to any double-taxation treaties, rules on international remittances, distribution of profits and gains, or repatriation of funds. DISCLAIMER OF LIABILITY. The investment decision is the sole responsibility of investors and requires a complex and thorough assessment of its structure and the risks inherent to the investment. Neither Ativore nor any of its directors, officers, employees, representatives, affiliates or agents shall have any liability arising from any error or imperfection of fact or opinion presented herein.

Offering restrictions

ABSTENTION FROM PUBLIC OFFERING. No measure or action has been taken to permit a public offering of Ativore's investment vehicles based in Luxembourg, the United States or the British Virgin Islands (BVI) in any jurisdiction where action is required for that purpose. OFFERING IN BRAZIL. The offering of Ativore's investment vehicles based abroad will not be carried out by any means that constitutes a public offering in Brazil under Law No. 6,385/1976 or CVM Resolution No. 160/2022, and has not been and will not be registered with the CVM. OFFERING IN THE EUROPEAN UNION. Ativore's Luxembourg-based vehicles will be offered in the EU/EEA only to professional investors. OFFERING IN THE UNITED STATES. Ativore's U.S.-based vehicles will not be registered under the US Securities Act of 1933; they will be offered under the exemption in Section 4(a)(2) and Regulation D, and are not registered under the US Investment Company Act of 1940 (Section 3(c)(7) exemption). Any US Person must be an “accredited investor” (Rule 501(a)) and a “qualified purchaser” (Section 2(a)(51)). The list of disclaimers above is not exhaustive, and other risks and uncertainties may cause results that differ materially from those contained in the estimates and projections made by Ativore about the future.

ativore
Asset Management

SÃO PAULO

Rua Fidêncio Ramos, 195 – 7th Floor
Zip Code 04551-010 – Vila Olímpia, São Paulo, Brazil

contato@ativore.com | www.ativore.com | +55 11 2626-5704