

Quarterly Fund Commentary

# LDR High Income Realty Fund

Q1 2026 | January 1 - March 31, 2026

**+5.63%**

Fund Return (Net)

**10% Annualized**

Distribution Rate\*

**\$109MM**

Capital Loss Carryover

**HLRRX**

Tickers

*We believe the positioning of The LDR High Income Realty Fund is differentiated and particularly compelling for current and future investors seeking income, tax efficiency, and professionally managed real estate exposure within a single vehicle.*

*We appreciate your continued confidence and investment partnership.*

*Sincerely,  
LDR Capital Management*

**+5.29%**

SEC 30-Day Yield (Unsubsidized)

*\* Distribution Rate shown is a non-standardized yield. The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please call 800-527-9525.*

## Fund Performance Review

For the period of January 1, 2026 to March 31, 2026, the LDR High Income Realty Fund Institutional Class (the "Fund") was up 5.63%, net of expenses. This performance exceeded the FTSE NAREIT All Equity REIT Index (up 3.76%) and the Morningstar Real Estate Sector Total Return Index (up 1.68%) during the same time period.

Overall, performance in the quarter was primarily driven by the Fund's equity positioning. Strength in high-quality, large-cap REITs was a key contributor, particularly in sectors that benefited from structural demand trends, such as data centers and healthcare. The covered call program provided a steady source of income and contributed positively to total return. Attribution reflects sector allocation, security selection, and income generation through the options overlay, rather than broad market beta alone.

### TOP FIVE CONTRIBUTIONS

Holding	Q1 2026
Vertiv Holdings	+1.7%
Equinix	+1.5%
Iron Mountain	+0.9%
Diversified Healthcare Tr	+0.9%
Ftai Aviation	+0.8%

### BOTTOM FIVE CONTRIBUTIONS

Holding	Q1 2026
Essex Property Tr Inc	-0.2%
Expedia Group Inc	-0.3%
Crown Castle	-0.4%
Lineage	-0.4%
SI Green Realty Corp	-0.8%

## NET PERFORMANCE

	Q1-26	YTD	1 Year	Ann. 5 Yr	Ann. 10 Yr
LDR High Income Realty Fund Class I - Net	5.63%	5.63%	0.47%	2.49%	4.16%
FTSE NAREIT All Equity REITs Total Return	3.76%	3.76%	3.28%	3.95%	5.66%
Morningstar Real Estate Sector Total Return	1.68%	1.68%	2.44%	3.55%	5.05%

*Note: Fund net returns over the past 12 months were significantly impacted by: (1) Extraordinary merger-related expenses from the Altegris/AACA merger (completed year-end 2025), (2) A substantial write-down of a non-traded equity position inherited via the merger which now represents a smaller portion of AUM, and (3) A higher expense ratio which has now been reduced to a cap of 1.55% annually.*

*Aside from these extraordinary items, the Fund on a gross basis has produced alpha over all time periods.*

## GROSS PERFORMANCE

	Q1-26	YTD	1 Year	Ann. 5 Yr	Ann. 10 Yr
LDR High Income Realty Fund Class I - Gross	6.20%	6.20%	6.31%	5.01%	6.02%
FTSE NAREIT All Equity REITs Total Return	3.76%	3.76%	3.28%	3.95%	5.66%
Morningstar Real Estate Sector Total Return	1.68%	1.68%	2.44%	3.55%	5.05%

*The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For most recent month-end performance, call 800-527-9525.*

## Portfolio Review

The Fund is comprised of two components: publicly traded blue chip REIT shares and a covered call overlay.

<b>EQUITIES</b>	<p><b>Equity Portfolio</b></p> <p>The Fund owns a portfolio of REIT equity securities representing large capitalization, leading companies within their property sector. We seek to create a basis in the securities at an attractive valuation and hope to achieve long-term appreciation and dividend growth through these investments.</p>
<b>COVERED CALLS</b>	<p><b>Covered Call Overlay</b></p> <p>The Fund writes a package of covered call options on top of the equity portfolio, creating upfront premium income that can be distributed to investors. Expiration dates and strike prices (~10% above current price) are optimized to allow for both income generation and appreciation potential.</p>

### WHY COVERED CALLS?

- Generate income through option premiums collected upfront
- Enhance portfolio yield relative to dividend income alone
- Provide a degree of downside cushion through premium income
- Effectively utilize the Fund's \$109MM capital loss carryover in a tax-advantaged manner

### TOP HOLDINGS AS OF 3/31/2026

(Holding are subject to change)

Holding	Weight
Prologis Inc	8.5%
Equinix Inc	6.8%
Welltower Inc	6.4%
American Tower Corp	5.8%
Simon Property Group Inc	5.6%
<b>Portfolio Top 5 Holdings</b>	<b>33.1%</b>
Portfolio Cash	0.9%

### EXPENSE RATIOS

Share Class	Ticker	Gross/Net
Class I	HLRRX	2.82% / 1.55%

*The Adviser has contractually agreed to waive 1.27% of its fees and reimburse expenses through April 30, 2027.*

### SECTOR CONTRIBUTIONS AS 3/31/2026

Sector	HIRF Contribution
Data Centers	2.29%
Out of Index	2.07%
Health Care	1.60%
Specialty	0.90%
Retail	0.38%
Self Storage	0.18%
Industrial	-0.02%
Gaming	-0.03%
Timberland	-0.07%
Mortgage	-0.21%
Residential	-0.32%
Telecommunications	-0.51%
Office	-0.77%

## Investment Review

- The Fund contains a \$109 million capital loss carryover; an asset that we plan to deliver through to investors over the course of time in the form of tax-advantaged distributions
- Fund paid a 10% annualized quarterly distribution in Q1 and seeks to consistently deliver such level going forward
- Fund quarterly distribution contains significant tax advantages via the utilization of capital loss carryover
- Investments in Large Cap Growth real estate equities offering potential for long term capital appreciation

<b>+5.63%</b> HLRRX (Q1)	<b>+3.8%</b> FTSE NAREIT Index (Q1)	<b>-4.3%</b> S&P 500 (Q1)	<b>10%</b> HLRRX Distribution Rate (Annualized)
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## SECTOR PERFORMANCE

REITs outperformed broader equities in Q1 2026. The FTSE NAREIT All Equity REIT Index generated a +3.8% total return in Q1. In contrast, the S&P 500 Index fell by -4.3% in Q1; a welcome rotation into real estate amid broader equity weakness. Key drivers to performance in Q1 were interest rate volatility, AI/structural office demand concerns, and a defensive rotation into income stability and real assets.

## DIVIDENDS

Yield levels for U.S. equity REIT dividend yield stood at ~4% as of quarter end, that was still meaningfully higher than the S&P 500 at 1.5% yield as of Q1. We calculate that 36 REITs raised dividends in Q1 2026 while another 100 REITs maintained payouts in Q1.

## MACRO DRIVERS

**Interest Rates:** 10-year US Treasury rates rose from 4.17% at year-end to 4.32% at the end of Q1 (+15 bps). Higher long-term rates are likely reflective of persistent fiscal budget deficits, an ever-growing Federal debt, fears about military conflicts, rising energy costs, and potential impacts from global tariffs.

**Inflation:** 1-year US breakeven inflation rates rose from 2.29% at year-end to 5.20% by Q1's end, a massive 292 basis points, reflective of global energy and supply chain fears. Longer term expectations were more stable; 10-year US Treasury levels rose by just 15 bps in Q1.

## REIT FUNDAMENTAL INDUSTRY DRIVERS

Driver	Key Metric	Detail
Earnings Growth*	+3.9% organic CF, +4.8% EPS (2026)	+6.0% EPS growth expected in 2027
Dividend Yields*	4.1% REIT yield vs. 4.3% 10-Yr Treasury	~75% payout ratio; ~5% annual div growth expected
REIT Valuation*	18.3x forward FFO multiple	Mid-range of 15x-20x historical average
Debt Maturities*	\$60B+ maturing in 2026	Manageable; weighted avg maturity of 6 years
Capital Access*	\$79.5B raised in 2025	Leverage at 36% of enterprise value (NAREIT)

Investors should consider the investment objectives, risks, charges, and expenses carefully before investing. This material must be preceded or accompanied by the prospectus. For a prospectus with this and other information about the fund, please call 800-527-9525 or visit the Fund's website at [www.ldrcapitalmgmt.com/mutual-funds](http://www.ldrcapitalmgmt.com/mutual-funds). Please read the prospectus carefully before investing.

The LDR High Income Realty Fund is distributed by Foreside Fund Services, LLC.

**Mutual fund investing involves risk. Principal loss is possible.** Past performance is not a reliable indicator of future results. The Fund concentrates its investments in the real estate industry, including investments in REITs. REITs are pooled investment vehicles which include equity REITs and mortgage REITs. The fund is subject to risks similar to those associated with the direct ownership of real estate, including changing economic conditions, declining real estate values, and liquidity and interest rate risk. The Fund may use leverage in executing its investment strategy. Leverage will increase the volatility of the Fund's performance and its risk. There can be no assurance that a leveraging strategy will be successful. Short sales may involve substantial risk and leverage, and high market volatility can increase these risks.

This newsletter is a publication of LDR Capital Management. The letter contains certain forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties which may cause actual results, performance or achievements to be materially different from future results expressed or implied by these forward-looking statements or projections. The letter should not be regarded as a complete analysis of the subjects discussed. All expressions of opinion reflect the judgment of the authors as of the date of publication and are subject to change.

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A capital loss carryover arises when investment losses are larger than capital gains in any one year — those unused losses can carry over and be utilized in future years. For the LDR High Income Realty Fund, the capital loss carryover was brought into the Fund via the strategic merger of the Altegris/AACA Opportunistic Real Estate Fund (RAAIX) into HLRRX in November 2025. Risk to utilization of this capital loss carryover: 1) If there are no capital gains in any particular year, and/or 2) There is no covered call option premium created to be offset by the capital losses.

By selling covered call options, the Fund limits its opportunity to profit from an increase in the price of the underlying stock above the exercise price but continues to bear the risk of a decline in the stock. A liquid market may not exist for options held by the Fund. Nothing in this communication constitutes tax advice. Investors are urged and advised to consult their own tax adviser with respect to the tax consequences of an investment in the Fund.

*The Fund acquired the assets and assumed the historical performance of another mutual fund (the "Predecessor Fund") on November 25, 2005. The performance shown in the table for periods between that date and December 16, 2002 is the performance of the Predecessor Fund. On December 16, 2002, the Predecessor Fund acquired the assets of an unregistered, similarly managed investment company (the "Partnership"). Performance prior to that date is that of the Partnership. The Partnership was not subject to the same investment and tax restrictions as the Predecessor Fund or the Fund; if it had been, the Partnership's performance may have been lower. Additionally, on August 15, 2014, the Fund was reorganized from a series of World Funds, Inc., a Maryland corporation, to a series of the Trust, a Delaware statutory trust (the "Reorganization"). The performance information shown below is based upon the average total returns of the Fund (which, as noted above, includes the performance of the Fund prior to the Reorganization). The performance information below is intended to serve as an illustration of the variability of the Fund's returns. The Fund's fee and expense structure prior to the Reorganization was different and could have impacted results.*

Earnings growth in 2026 and 2027. Overall, the REIT industry is expected generate stable earnings growth consistent with current inflation levels. Specifically, J.P. Morgan expectations call for REIT sector organic cash flows to increase by approximately 3.9% in 2026. It also projects REIT industry earnings per share growth of 4.8% in 2026, and 6.0% in 2027. **Dividend yields and growth.** REIT industry dividends stood at 4.1%, or at a 20 basis point discount to the 10-year US Treasury rate of 4.3% as of quarter end. Historically, REIT dividend yields averaged 129 basis points above 10-year US Treasuries. We note that industry-wide dividend coverages are quite strong, in our view, as J.P. Morgan Research notes that dividend payout ratios on free cash flow to be 75%. REIT industry dividend growth has historically been in sync with earnings growth. As such, one could expect industry-wide dividend growth of ~5% in each of the next two years. **REIT valuation**

**FTSE NAREIT All Equity REITs Total Return Index** - An unmanaged index that tracks the total return performance of all publicly traded equity real estate investment trusts (REITs) listed on the New York Stock Exchange, NYSE American, and NASDAQ. The index includes all tax-qualified REITs with more than 50% of total assets in qualifying real estate assets other than mortgages secured by real property. Returns assume reinvestment of dividends.

**Morningstar Real Estate Sector Total Return Index** - An unmanaged index that tracks the total return performance of publicly traded real estate-related equities within the Morningstar U.S. equity universe, including REITs and real estate operating companies. Returns assume reinvestment of dividends.

**S&P 500 Index** - An unmanaged, market capitalization-weighted index of 500 widely held U.S. large-cap common stocks across a broad range of industries, generally considered representative of the U.S. equity market. Returns assume reinvestment of dividends.

**SEC 30-Day Yield** - is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. Basis Points (bps) — A unit of measure used in finance to describe changes in interest rates, yields, and other percentages. One basis point equals 0.01% (one one-hundredth of a percentage point).

**Distribution Rate** - A combination of REIT common stock yield, premium income from cover call strategy, and potential return of capital from the REIT securities.