

# Clarion Partners Real Estate Income Fund

## Fund summary

Clarion Partners Real Estate Income Fund (the “Fund”) is a daily valued, continuously offered interval fund registered under the ‘40 Act that holds a strategically diversified portfolio of real estate assets across property types and geographic regions. The Fund is managed by Clarion Partners, a registered investment adviser with 1,349 properties and \$72.0 billion in real estate assets under management.<sup>1</sup>

## Fund strategy

The Fund seeks to generate attractive current income with the potential for long-term appreciation and favorable risk-adjusted returns by investing in a portfolio of private commercial real estate and publicly traded real estate securities. The Fund offers direct access to institutional-quality private real estate via Clarion’s real estate platform, tenured investment team and deep understanding of macro and fundamental real estate dynamics gained over many market cycles.

## New Investment



PAM Health Portfolio, Venice, FL and Greeley, CO<sup>2</sup>

## PAM Health Portfolio, Venice, FL and Greeley, CO

PAM Health Venice (52k sf) and PAM Health Greeley (52k sf) are two medical office investments in high growth markets in Florida and Colorado. Today, strong demand for medical offices is spurred by trends across demographics and innovation, such as an aging population, improved cost efficiencies, and technological advancements enabling a shift to outpatient settings. Further, long lease durations and high tenant retention have historically supported durable cash flows and made the sector resilient throughout economic cycles. Both submarkets are expected to experience above-average 65+ population growth over the next five years: 2.7% annually in Venice and 3.9% annually in Greeley, vs the U.S. average of 2.3%; and face limited competitive supply.<sup>3</sup>

Both properties operate as inpatient rehabilitation facilities, providing specialized care in an ideal setting for those recovering from serious illness, injury, or surgery. They are 100% leased to a leading post-acute care provider with a weighted average lease term remaining of 18 years. The assets were built-to-suit the tenant’s complex needs and include private patient beds, onsite pharmacies and kitchens, intensive care monitoring and large therapy rooms offering physical, occupational, and speech therapy.

Institutional-quality: An institutional-grade, or institutional-quality property generally refers to a property of sufficient size and stature to merit attention from large national or international investors.

1. As of December 31, 2025. FTFA is the investment manager of the Fund. Clarion Partners is the investment sub-adviser.

2. As of March 31, 2026 PAM Health is 6.0% of relative percentage of the holding of the entire portfolio (100%).

3. Clarion Partners Global Research, March 2026



The Grand at Southern Hills, Spring Valley, NV<sup>7</sup>

## Portfolio managers



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**Janis Mandarino**  
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## U.S. market update

- U.S. economic growth has remained resilient; however, since February, rising geopolitical tensions have begun to impair confidence. Disruptions to global energy markets have pushed oil prices higher, creating a near-term headwind to growth and consumer purchasing power. Nevertheless, the U.S. economy remains relatively well positioned, supported by energy independence and underlying demand strength. Consumer spending remains positive, though moderating income gains and weaker confidence points to a more measured pace of growth ahead. At the same time, slowing business investment and softer labor market conditions suggest a moderate, but still positive, expansion in 2026, with unemployment expected to drift modestly higher toward the upper 4% range.<sup>4</sup>
- Higher energy prices have also added complexity to monetary policy decisions. Expectations of pass-through inflationary pressures from higher energy prices could lead to a more patient approach to additional rate cuts.
- Against this backdrop, commercial real estate fundamentals remain relatively stable. Transaction activity improved with greater visibility into interest rates and easing debt costs, which can support investor activity.<sup>5</sup> Demand fundamentals remain broadly intact, with occupancy levels near long-term averages across most property types. A meaningful slowdown in new construction, driven by tighter lending conditions and higher development costs over the past few years, should support solid NOI growth going forward. With six consecutive quarters of positive total returns<sup>6</sup>, a new commercial real estate cycle appears to be reinforced.

## Fund highlights

- Crossroads Logistics, an industrial warehouse in Tampa, FL, acquired in October 2025 at 67% occupancy, signed the final lease in 1Q26 to stabilize the asset at 100% occupied ahead of underwritten timeline and at higher rents.
- The Fund completed six equity acquisitions during the first quarter, focused on healthcare and industrial sectors, two of which are highlighted on the previous page.
- Puyallup IOS is a 100% leased, 2.75-acre IOS facility in Puyallup, WA. The Property offers direct access to the Seattle and Tacoma's critical distribution nodes. Together, their ports form the Northwest Seaport Alliance, the fifth largest container gateway in North America.
- Vitality Living Franklin is a 126-unit senior living community in Franklin, an affluent suburb of Nashville. The Property provides access to top-tier healthcare services, outdoor recreation, and retail amenities to meet the needs of its residents across the assisted living and memory care spectrum.
- The Grand at Southern Hills is a 174-unit senior living community in Las Vegas' Spring Valley which provides assisted living and memory care services. The business plan includes upgrading common areas and unit interiors and enhancing staffing and resident programming.
- Denton Medical is a purpose built, 38k sf inpatient rehabilitation facility in Dallas, TX. The Property is 100% leased to the largest not-for-profit health system in Texas and is located within a concentrated medical corridor, providing patients with post-acute care in connection with the Baylor Scott & White Heart Hospital of Denton and Denton's Medical City.

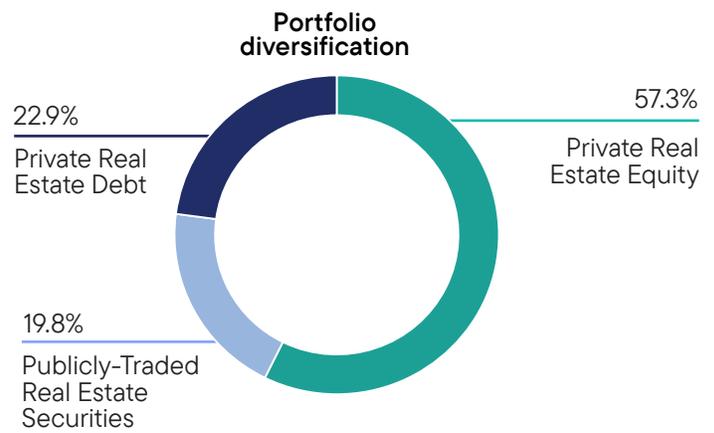
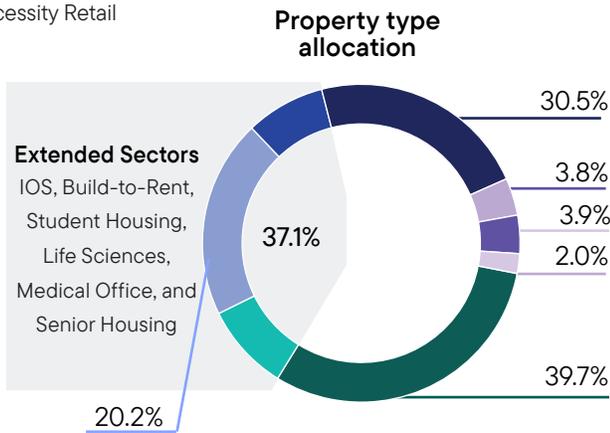
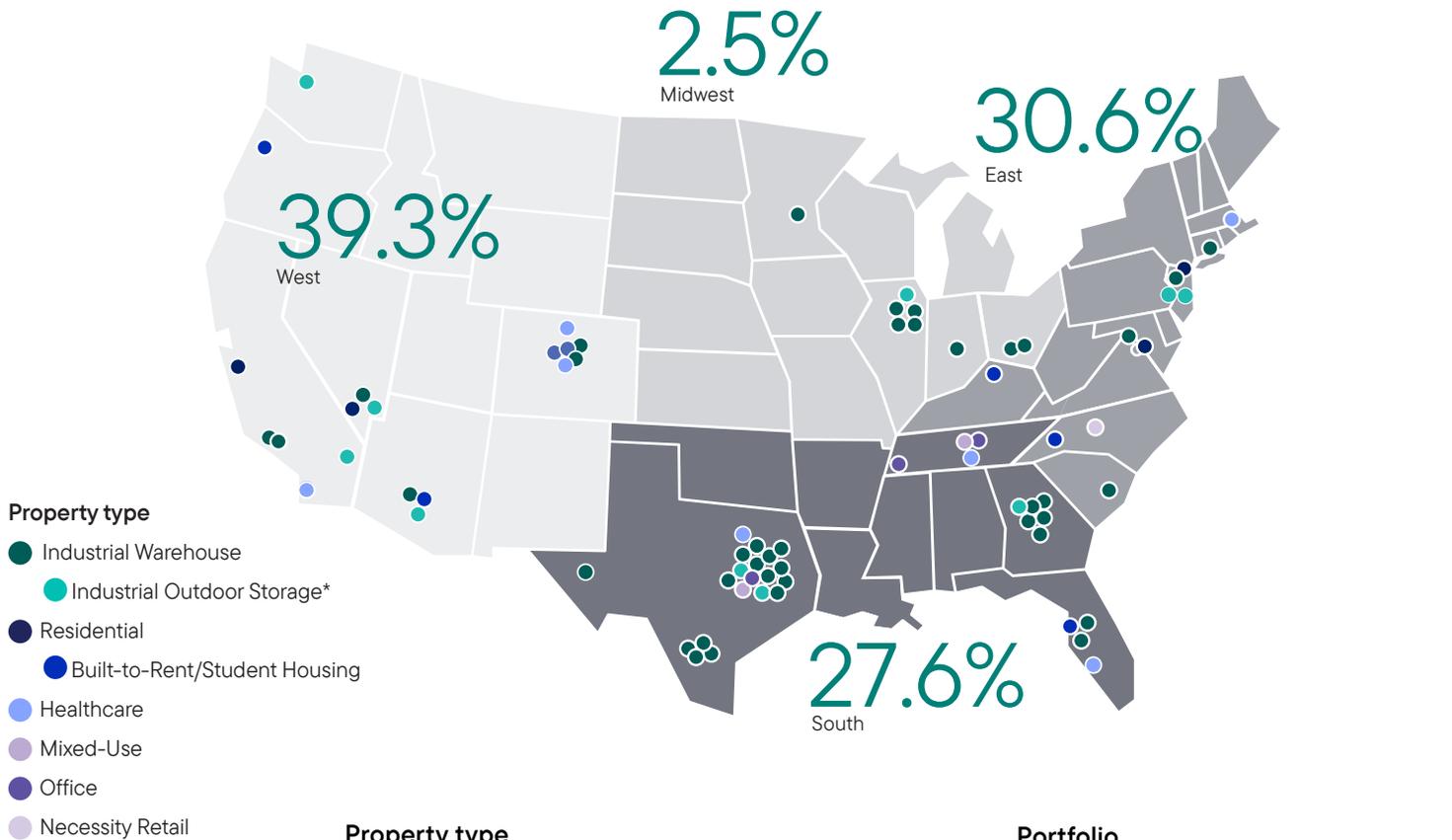
4. BEA, Moody's Analytics, Clarion Partners Global Research

5. MSCI Real Capital Analytics, Clarion Partners Global Research

6. NCREIF, Clarion Partners Global Research

7. As of March 31, 2026 The Grand at Southern Hills is 2.3% of relative percentage of the holding of the entire portfolio (100%), Crossroad Logistics is 1.3%, Puyallup IOS is 0.5%, Vitality Living Franklin is 3.3% and Denton Medical is 1.3%.

## Current portfolio investments<sup>8</sup>



## Glossary

**Gross domestic product (GDP):** the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health.

**Submarket:** A submarket is a smaller part of a larger real estate market. Submarkets are often identified as neighborhoods or suburbs within the larger metropolitan area.

<sup>8</sup>Some investment portfolios may include more than one property

<sup>10</sup> Map of closed investments as of March 31, 2026. Please see important disclosures at the end of this document for further information. Asset allocations are based on the Net Asset Value of each asset as a percentage of the Net Asset Value of the portfolio. Geographic, Property Type and Property Holdings allocations are based on the Gross Real Estate Value of each asset as a percentage of the Gross Real Estate Value of the Private Real Estate sleeve.

This is not an offer to sell, or a solicitation of an offer to buy, securities. Investment in real estate and real estate derivatives entails significant risk and is suitable only for certain qualified investors as part of an overall diversified investment strategy and only for investors able to withstand a total loss of investment.

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**Franklin Templeton does not provide recommendations or asset allocation advice.**

## **INVESTMENT RISKS**

Past performance is no guarantee of future results. All investments involve risk, including loss of principal. Diversification does not ensure against loss. An investment should be considered long-term within a multi-asset portfolio and should not be viewed individually as a complete investment program. The Fund is subject to a high degree of risk; additional risk considerations are listed:

### **LEVERAGE RISK:**

The Fund and/or its subsidiaries employ leverage, which increases the volatility of investment returns and subjects the Fund to magnified losses if an underlying fund's investments decline in value.

### **LIQUIDITY RISKS**

The Fund should be viewed as a long-term investment, as it is inherently illiquid and suitable only for investors who can bear the risks associated with the limited liquidity of the Fund. Limited liquidity is provided to shareholders only through the Fund's quarterly repurchase offers for at least 5% of the Fund's shares outstanding at net asset value. Although the Fund will conduct quarterly repurchase offers, there is no guarantee that a shareholder will be able to sell all of their shares in the Fund that the shareholder desires to sell or at a favorable price. Shares tendered within 12 months of the original issue date will be subject to an early repurchase fee of 2.00%.

### **REAL ESTATE INVESTMENT RISKS**

The Fund's investments are highly concentrated in real estate investments, and therefore will be subject to the risks typically associated with real estate, including but not limited to fluctuations in lease occupancy rates and operating expenses, variations in rental schedules, which in turn may be adversely affected by local, state, national or international economic conditions. Such conditions may be impacted by the supply and demand for real estate properties, zoning laws, rent control laws, real property taxes, the availability and costs of financing, and environmental laws.

Furthermore, investments in real estate are also impacted by market disruptions caused by regional concerns, political upheaval, sovereign debt crises, and uninsured losses (generally from catastrophic events such as earthquakes, floods and wars). Investments in real estate related securities, such as asset-backed or mortgage-backed securities are subject to prepayment and extension risks.

### **PRIVATE MARKET INVESTMENTS RISKS**

An investment in the Fund is suitable only for investors who can bear the risks associated with private market investments (such as private credit and private equity) with potential limited liquidity. Shares will not be listed on a public exchange, and no secondary market is expected to develop.

Any reference to or use of the terms "registered" or "registered investment adviser" does not imply that Clarion Partners or any person associated with Clarion Partners has achieved a certain level of skill or training.

*Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, and summary prospectus, if available, at [www.cprex.com](http://www.cprex.com). Please read the prospectus carefully before investing.*



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