

CROMWELL CENTERSQUARE REAL ESTATE FUND

The commentary covers drivers of REIT performance, the impact of interest rates and limited new supply, opportunities across property sectors, and his outlook for the year ahead.

► What factors are supporting REIT returns in the current higher rate environment?

REITs have benefited from several factors, despite higher interest rates. Valuations adjusted to higher rates several years ago, and further increases from elevated levels tend to have less impact. For example, a 50-basis-point increase in the 10-year Treasury yield from 4.75% to 5.25% is less impactful than an increase from 1% to 1.5%.

While we anticipate one or two additional Fed rate increases, public REITs generally have a financing advantage over private real estate owners. They often carry less than half the leverage and have longer debt maturities, reducing their exposure to higher borrowing costs.

Inflation is also limiting new supply. Higher construction costs have discouraged development, and previous supply pressures in industrial and apartment markets have eased. With fewer projects entering the pipeline, we expect limited new supply to support property fundamentals over the next several years.

We remain constructive on the REIT outlook. A healthy economy, solid occupancy and steady rent growth support durable earnings growth, which we believe is driving performance more than the direction of interest rates.

► Which real estate sectors could benefit most from limited new supply?

We believe limited new supply supports pricing power across all REIT sub-sectors. With long-term interest rates unlikely to return to 3%, higher financing costs should continue to constrain the development pipeline.

Data centers, in particular, may benefit despite being an area of active construction. Higher costs, local opposition and development moratoriums create hurdles for new projects. While those constraints can delay expansion, they also limit competing supply, potentially strengthening pricing power for existing data center owners.

► Where are you finding opportunities across property sectors?

We see opportunities in single-family rental and manufactured housing. Single-family rental valuations reset following presidential comments about housing policy, creating a market dislocation that we used to add exposure.



CLASS	INCEPTION	TICKER
Institutional	2/24/17	MRASX
Investor	12/31/97	MRESX

Fund Facts

Specialty: **Real Estate**

Fund AUM: **\$82.8 million**

Holdings: **57**

Sub-Advisor



CenterSquare Investment Management, the Fund's sub-advisor, is a management-owned firm specializing in real estate strategies, with \$16 billion in assets as of 8/31/26 and approximately 100 employees in 5 offices throughout the world. The Fund's portfolio managers have managed the Fund since 2006.

PORTFOLIO MANAGERS



Dean Frankel, CFA
Managing Director
Head of Real Estate Securities



Eric Rothman, CFA
Portfolio Manager
Real Estate Securities

We also see tactical opportunities in office properties, where availability is tightening for high-quality buildings in desirable geographic markets. We are becoming more constructive on industrial properties and continue to favor shopping centers, senior housing and data centers.

We remain more cautious on apartments. Slower job growth and household formation, along with lingering supply pressures, are weighing on fundamentals.

► What is your outlook for REITs over the next year?

We expect earnings growth and property fundamentals to remain the primary drivers of REIT returns. While expectations point to one or two additional rate increases in 2026 and potentially another in early 2027, interest rate pressures could begin to ease beyond that period. An easing of tensions in the Middle East could also reduce inflation pressures and support a more favorable rate environment.

If economic activity and consumer spending remain healthy, limited new supply should allow demand to absorb vacant space, strengthening occupancy and pricing power. Real estate fundamentals tend to improve gradually, but the limited development pipeline provides support for continued growth.

About Cromwell Funds

Headquartered in Baltimore, MD, the Cromwell Funds provide Financial Advisors with high-quality, differentiated and actively managed strategies in a mutual fund format. The Funds are sub-advised by asset managers who have built a national reputation managing their investment strategies.

Cromwell Funds' Sub-Advisors:

- » CenterSquare Investment Management
- » Corbyn Investment Management
- » Guinness Global Investors
- » Mutual of America Capital Management
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Investors should carefully consider the Fund's investment objectives, risks, charges and expenses before investing. For this and other information, please call 855.625.7333 or visit thecromwellfunds.com for a prospectus or summary prospectus. Read it carefully before investing or sending money.

Mutual fund investing involves risk. Principal loss is possible. The Fund is subject to special risk considerations similar to those associated with the direct ownership of real estate. Real estate valuations may be subject to factors such as changing general and local economic, financial, competitive, and environmental conditions. A greater percentage of the Fund's holdings may be focused in a smaller number of securities which may place the Fund at greater risk than a more diversified fund. Investing in initial public offerings (IPOs) is risky and the prices of stocks purchased in IPOs tend to fluctuate more widely than stocks of companies that have been publicly traded for a longer period of time. Stocks purchased in IPOs generally do not have a trading history, and information about the companies may be available for very limited periods. Market prices of investments held by the Fund may fall rapidly or unpredictably due to a variety of economic or political factors, market conditions, disasters or public health issues, or in response to events that affect particular industries or companies. Companies that are in similar industry sectors may be similarly affected by particular economic or market events; to the extent the Fund has substantial holdings within a particular sector, the risks associated with that sector increase.

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