

# CROMWELL CENTERSQUARE REAL ESTATE FUND

Portfolio Manager Eric Rothman discusses REIT performance in 2025 and areas of opportunity in 2026.

## ► What would you highlight about REIT performance in 2025?

In 2025, large-cap technology and AI-related stocks primarily drove broader market returns, drawing investor attention away from REITs despite what we believe to be their attractive income and diversification benefits. As a result, among 15 REIT subsectors, only four had positive performance in the year: health care, industrials, discretionary retail, and net lease REITs.

Notably in health care, performance was driven by senior housing REITs. Many of these companies are experiencing strong operating momentum as occupancy continues to recover from the lows experienced during COVID. Demographics are a major tailwind, with about 10,000 Baby Boomers turning 65 every day from 2011 to 2030, unleashing a long-anticipated surge in demand just as new construction has slowed materially, giving operators meaningful pricing power.

## ► What other areas of REITs look attractive?

Beyond health care, there are three areas we believe hold investment potential as they appear deeply discounted and broadly misunderstood. These include:

- 1. Shopping centers:** Many shopping center REITs offer attractive yields, while growth expectations remain understated despite solid underlying fundamentals. If acquisition activity resumes, they could further lift their earnings potential.
- 2. Data centers:** Data Center REITs have the potential for meaningful outperformance as the market looks ahead to the next phase of AI inference and the advantages these platforms may hold.
- 3. Offices:** Office REITs are now emerging from their post-COVID reset and seeing renewed leasing activity after tenants have largely completed space reductions.

## ► What is your outlook for the public real estate sector in 2026?

REITs enter 2026 in a position of strengthening fundamentals and improving sentiment. The following are positive factors that could drive REIT performance in the new year:

- Improving backdrop:** In general, private real estate, which historically has lagged REITs, appears to have reached a bottom, with several consecutive quarters of improvement in market values.



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

## Fund Facts

Specialty: **Real Estate**  
Fund AUM: **\$88.5 million**  
Holdings: **59**

## Sub-Advisor



CenterSquare Investment Management, the Fund's sub-advisor, is a management-owned firm specializing in real estate strategies, with \$14 billion in assets as of 11/30/25 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

- **Capital availability:** Access to capital has improved meaningfully, allowing REITs to use leverage to grow. REITs benefit from an attractive cost of capital, which can help to enable accretive acquisitions and the potential for earnings growth.
- **Interest rates:** Borrowing costs are already favorable, but a less volatile interest rate environment would provide incremental support. Future interest rate cuts could present added upside opportunity..
- **Earnings momentum:** Earnings growth inflected positively in 2025 and is expected to accelerate in 2026 and 2027. Earnings growth tends to be important for stock prices.
- **Income and valuation:** Dividend yields have continued to grow modestly, and valuations appear attractive relative to broader equities.
- **Macro positioning:** Should the economy slow, REITs may appeal to investors seeking income, diversification, and hard-asset exposure.

With a favorable environment for REITs in 2026, real estate may play an important role as investors rebalance portfolios in the new year.

The Fund's sub-advisor, CenterSquare Investment Management, draws on decades of experience across private and public markets and the Cromwell CenterSquare Real Estate Fund offers a public alternative strategy with potential appreciation, diversification and a higher level of liquidity relative to direct real estate ownership.

*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](http://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.

Dividend yield calculates how much a company pays out in dividends each year relative to its stock price. Earnings growth is the annual compound annual growth rate (CAGR) of earnings from investments.

Cromwell Funds distributed by Foreside Fund Services, LLC.

## 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
- » Foresight Group
- » Mutual of America Capital Management
- » Tran Capital Management

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