



# Quarterly Report

For the period ended September 30, 2025

**KFHC**

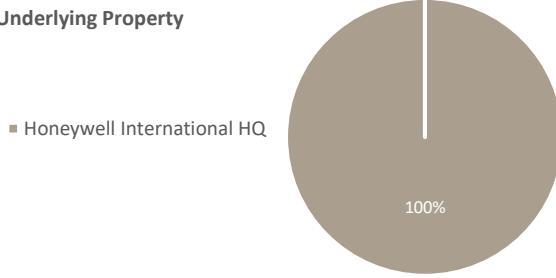
**U.S. REAL ESTATE FUND IV**

صندوق بيتك كابيتال العقاري الأمريكي 4

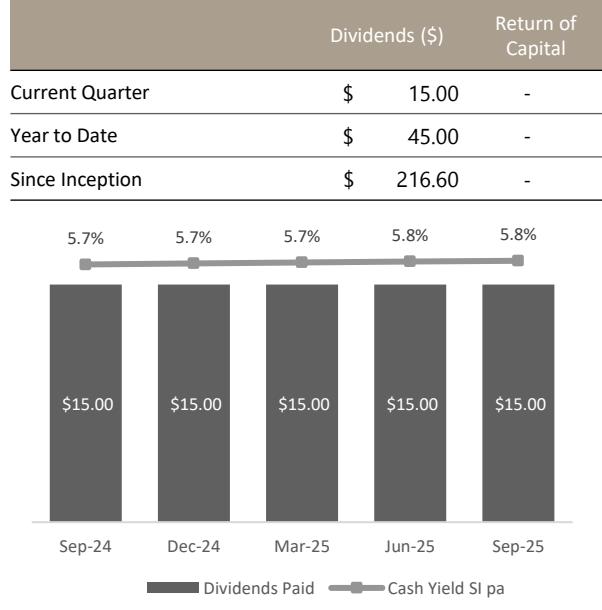
## Fund Facts

<b>Fund Structure</b>	Closed-ended
<b>Asset Class</b>	Real Estate
<b>Asset Type</b>	Commercial
<b>Inception</b>	January 2022
<b>Currency</b>	U.S. dollar
<b>Fund Manager</b>	KFHC Investment Advisory IV Ltd.
<b>Offering Price</b>	U.S.\$ 1,000 per Investment Unit
<b>Total Fund Size</b>	U.S.\$ 91,500,000
<b>Domicile</b>	Cayman Islands

## Underlying Property



## Distributions (per unit)



Year-to-date dividend yield	4.5%
Year-to-date dividend yield (annualized)	6.0%
Cumulative Dividends Since Inception	21.7%
Capital Returned Since Inception	-

## U.S. Capital Markets & National Office Sector Overview

- In Q3 2025, the overall U.S. vacancy stood at 20.7%, down 10 basis points (bps) quarter-over-quarter (QOQ).
- Demand has strengthened over the past year and is spreading nationally. In Q3 2025, half of U.S. markets posted positive net absorption.
- Tenant demand has been heavily weighted toward top-tier office space.
- Net absorption in the office market was negative in Q3 2025, but Class A net absorption has been positive for two straight quarters.
- The persistent trend of strong occupier demand for high quality space, coupled with a dwindling supply, is likely to continue.
- New office construction deliveries continue to fall. 13.4 msf delivered year-to-date (YTD) is half of last year's pace and just 38% of the 10-year average.

## Submarket Sector Overview

Q3 2025			
Vacancy rate (%)	YTD Net Absorption (SF)	Asking Rent (PSF)	Unemployment rate
25.4%	-223.3K	\$ 34.59	3.7%

- The overall office vacancy in the Charlotte dropped by 30 bps QOQ to 25.4%.
- Office demand rebounded in the Charlotte Metro with the highest quarterly new leasing volume in over five years.
- Class A new leasing figures continued to dominate leasing trends with 69.3% of quarterly leasing volume as tenants gravitated toward top-tier space in the market.
- Overall average asking rental rates slightly increased in Q3 2025, measuring at \$34.59 per square foot (psf).
- Charlotte maintained a strong economic climate for corporate businesses, with its nonfarm employment increasing 2.2% YOY.
- Charlotte remains a top destination for expanding companies and talent drawn by its affordability, quality of life, and economic diversity.

## Investment & Tenant Overview

- Prospective retail tenants are being solicited to lease the retail space in the building, the only remaining vacant space, which represents approximately 2.6% of the total space.
- In Q3 2025, Honeywell reported YOY organic sales growth of 6%, led by another quarter of strong growth in defense and space, and building solutions.
- Earnings per share for Q3 2025 was \$2.86, up 32% YOY, while adjusted earnings per share was \$2.82, up 9% YOY.
- Honeywell generated \$1.5 billion of free cash flow in Q3 2025, down 9% YOY.
- Honeywell expects full-year sales to be between \$40.7 billion to \$40.9 billion.
- Operating cash flow is expected to be in the range of \$6.4 billion to \$6.8 billion in 2025, with free cash flow in the range of \$5.2 billion to \$5.6 billion.

**Disclaimer:** The "Fund" does not constitute a separate legal entity, but rather is used only as a reference to the overall corporate structure for investment for the four constituent Cayman Islands companies. The net asset value (NAV) of the Fund set forth herein has been determined based, in part, on third party valuations of the property investments of the Fund, which is subject to change over time and may not reflect the value which would be achieved in a sale of such assets now or in the future. Additionally, any potential tax liability that is reflected in the NAV is an internal estimate of such liability without reliance on any third-party tax opinion, which estimate is subject to change over time including at the time of the actual sale of any property investment(s). Certain of the matters discussed in this Quarterly Report about the Fund's future performance, including, without limitation, future revenues, earnings, dividends, strategies, prospects, consequences and all other statements that are not purely historical constitute "forward-looking statements." Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. When used herein, the words "anticipate," "estimate," "believe," "expect," "should," "potential," "forecast," "project," variations of such words and similar expressions are intended to identify forward-looking statements.