

July 11, 2025

Dear Fellow Investor,

IPC Alternative Real Estate Income Trust, Inc. (ALT REIT or the Company) is pleased to report that a distribution in the amount of \$0.1042 per share has been paid to stockholders of record as of June 30, 2025. This distribution, which was paid on or about July 3, 2025, represents an approximate 5.23% annualized distribution rate based on ALT REIT's aggregate net asset value (NAV) per share as of May 31, 2025. Limited partners of IPC Alternative Real Estate Operating Partnership, LP, the Company's operating partnership, have been paid an equivalent distribution.

Economic Update

The second quarter of 2025 was marked by a dynamic and evolving economic landscape, shaped by tariff policy announcements, moderating inflation, shifting monetary policy expectations, geopolitical tensions, and mixed signals from global markets. The U.S. economy continued to demonstrate resilience, with GDP growth tracking modestly above expectations. Headline inflation continued its downward trend, aided by easing energy prices and improving supply chains. Core inflation, however, remained sticky, particularly in housing and service-related categories.

These broader market dynamics have continued to affect interest rate volatility and borrowing costs, across all commercial real estate sectors. The Federal Reserve (the "Fed") has maintained its cautious stance during the second quarter, holding rates steady while signaling a data-dependent approach for potential cuts later in the year. As market expectations shift around the direction and timing of greater rate certainty, as well as new developments in the global trade and tariff landscape, demographic-driven sectors – namely healthcare, student housing, and self-storage – continue to show resilience and are well-positioned to navigate ongoing economic headwinds.

As we enter the second half of the year, key themes we will continue to monitor include pace of Fed policy normalization, the durability of consumer spending, and global geopolitical developments. We remain focused on navigating this evolving environment with discipline and agility and believe our strategy and focus on assets with performance more heavily tethered to demographic factors, and less correlated to economic conditions, is particularly well positioned.

ALT REIT Portfolio Sector Highlights¹

Healthcare

The medical outpatient segment (MOB) continued to demonstrate resilience and strong fundamentals in the second quarter, driven by strong demand and tight supply. Occupancy has consistently remained above 90% and rents have continued to reach record highs². Looking ahead, reduced interest rate volatility and favorable demographic trends, especially an aging population and rising outpatient demand, are expected to further strengthen the outlook for MOB performance.

The senior housing segment has shown similar strength in the second quarter, as occupancy has essentially recovered to 2019 levels in most markets. With growth in the senior population set to significantly outpace the population at large and a very modest pipeline of new supply, senior housing fundamentals point to solid performance in the sector going forward.

Student Housing

The student housing sector delivered another quarter of solid performance, underscored by steady leasing momentum and stable operating fundamentals. Pre-leasing across the top-tier universities tracked with the prior year leasing cycle; however, rent growth has begun to moderate back to pre-pandemic levels. As we look ahead, we expect the sector to continue to benefit from consolidation of demand centered around top-tier universities, robust enrollment trends³ and a growing preference for purpose-built student housing property types.

Self-Storage

The self-storage sector is showing clear signs of resurgence, following stable performance in the second quarter. After a period of rent softening, national street rates have, for the most part, stabilized. Additionally, after several quarters of occupancy declines, the sector has found its footing and began to plateau during the second quarter of 2025, while new supply has thinned substantially as a result of shrinking development pipelines market wide. We view this as a compelling setup: demand returns from relocations, rental housing, and small-business use, while supply remains constrained and macro factors (i.e. interest rate stability, softer inflation) offer upside to operators as the sector begins to transition from a defensive position to a more offensive minded posture.

¹ ALT REIT's portfolio was comprised of 35 properties across 12 states and held appraised values of \$325,610,000 in the healthcare sector, \$44,900,000 in the student housing sector, and \$42,280,000 in the self-storage sector, as of March 31, 2025.

² RevistaMed

³ Education Data Initiative. College Enrollment & Student Demographic Statistics. December 2024

Inland Perspective

For further insights into industry-wide topics, take a moment to check out Inland's⁴ new webcast series, *The Inland Perspective*. *The Inland Perspective* is led by Inland's real estate experts and explores topics and events shaping the commercial real estate world. You can access the latest *Inland Perspective* by scanning the QR code below using the camera on your mobile device or by clicking or entering the URL beneath.



<https://go.inland-investments.com/general-session-replay>

If you have questions or need additional information regarding your investment in ALT REIT, please do not hesitate to contact Investor Services via e-mail at custserv@inland-investments.com or via phone at (866) My-Inland | (866) 694-6526.

Sincerely,



Keith Lampi
Chief Executive Officer
IPC Alternative Real Estate Income Trust, Inc.

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Cautionary Note Regarding Forward-Looking Statements and Distributions

Certain statements in this letter constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Words such as "may," "could," "should," "expect," "intend," "plan," "goal," "seek," "anticipate," "believe," "estimate," "predict," "variables," "potential," "continue," "expand," "maintain," "create," "strategies," "likely," "will," "would" and variations of these terms and similar expressions indicate forward-looking statements. These forward-looking statements reflect the intent, belief or current expectations of our management based on their knowledge and understanding of the business and industry, the economy and other future conditions. These statements are not factual or guarantees of future performance, and we caution stockholders not to place undue reliance on them. Actual results may differ materially from those expressed or forecasted in forward-looking statements due to a variety of risks, uncertainties and other factors, including but not limited to risks related to our limited operating history, the lack of public trading market for our common stock, our dependence on our Advisor, and the risks of investing in real estate, and other risks detailed in the Risk Factors section in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q as filed with the Securities and Exchange Commission and made available on our website. Forward-looking statements reflect our management's view only as of the date of this letter and may ultimately prove to be incorrect. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results except as required by applicable law. We intend for these forward-looking statements to be covered by the applicable safe harbor provisions created by Section 27A of the Securities Act and Section 21E of the Exchange Act.

We cannot guarantee that we will make distributions, and if we do, we may fund such distributions from sources other than cash flow from operations, including, without limitation, the sale of our assets, borrowings or offering proceeds, and we have no limits on the amounts we may pay from such sources. Please see our website, www.ipcaltreit.com, for the annualized distribution rate for each class of our common stock.