

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
Thursday, October 3, 2024, at 12:30 PM  
City Hall Conference Room 3C**

**AGENDA**

**1. CALL TO ORDER**

**2. PUBLIC COMMENT**

**3. INVESTMENT AND FINANCIAL MATTERS**

Principal Real Estate

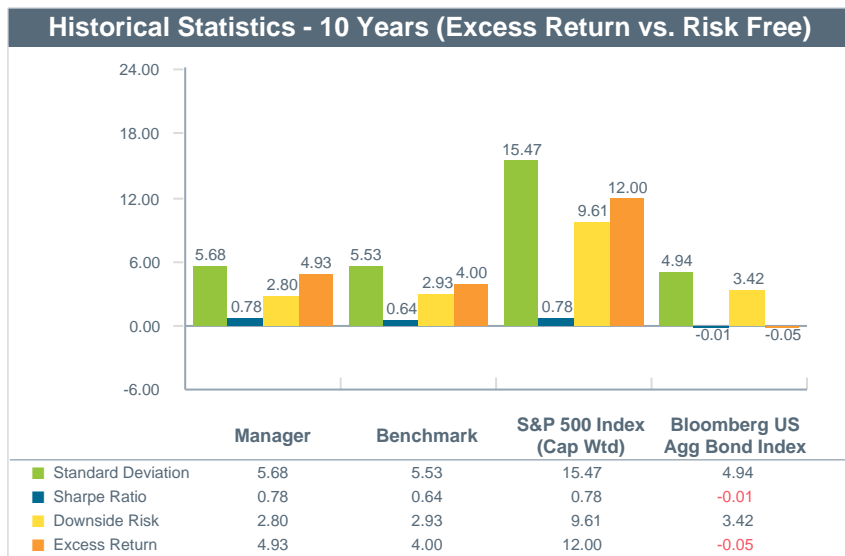
**4. INFORMATION**

- a. Next regular BOT meeting scheduled for Thursday, October 24, 2024, at 2 PM
- b. HIG Real Estate discussion scheduled for Thursday, November 7, 2024,  
at 12:30 PM

**5. PRIVILEGE OF THE FLOOR**

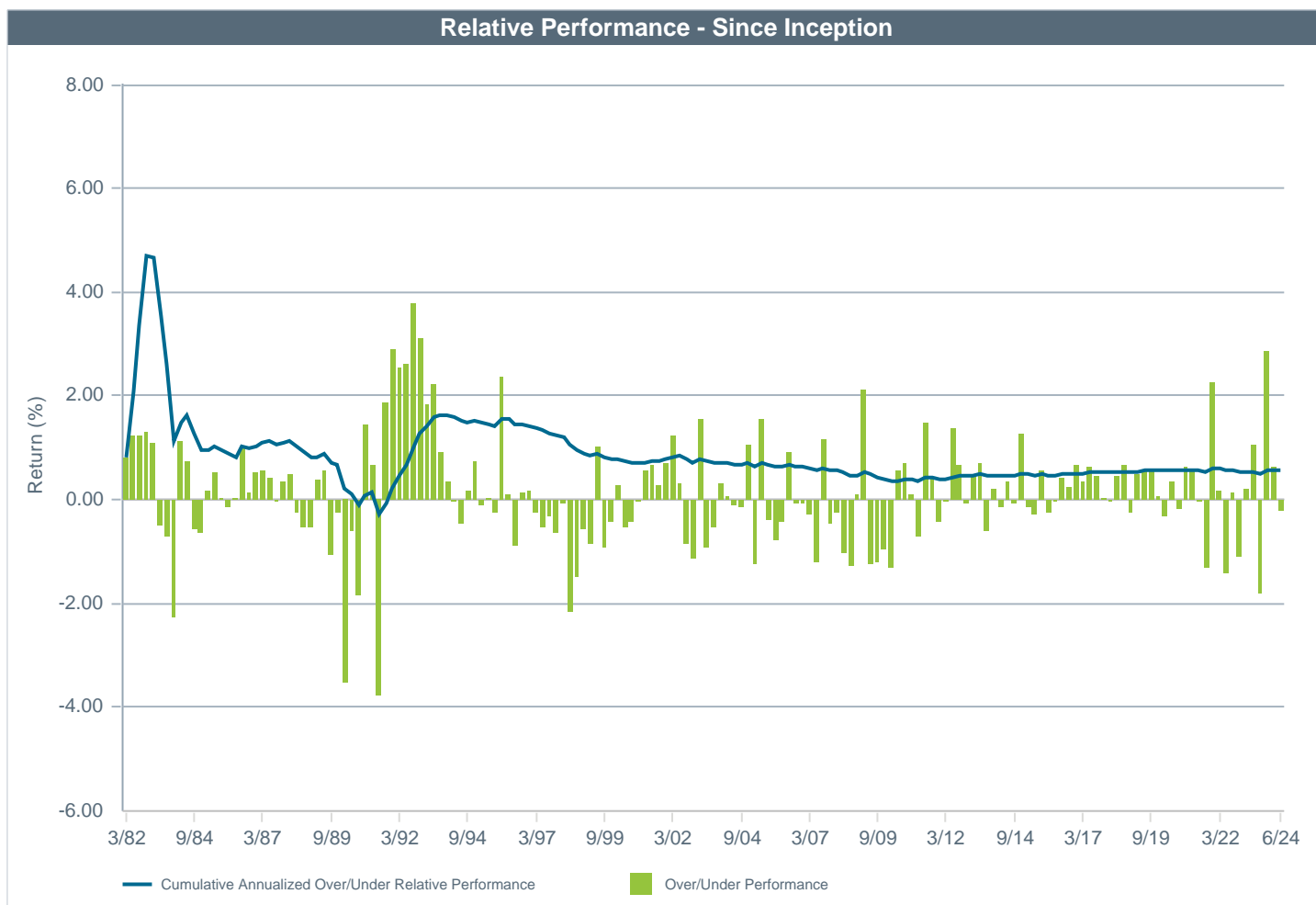
**6. ADJOURNMENT**

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	-0.87	-8.67	1.53	2.92	4.29	6.42	-10.69	4.27	22.83	0.81	6.22
Benchmark	-0.66	-9.99	1.02	2.27	3.45	5.47	-12.73	6.55	21.02	0.34	4.39
Difference	-0.21	1.32	0.51	0.65	0.84	0.95	2.04	-2.28	1.81	0.47	1.83



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Net)	0.96
S&P 500 Index (Cap Wtd)	-0.16
Russell 2000 Index	-0.14
MSCI EAFE Index (USD) (Net)	-0.30
MSCI Emg Mkts Index (USD) (Net)	-0.29
Bloomberg US Agg Bond Index	-0.26
Bloomberg US Trsy US TIPS Index	-0.17
Wilshire US REIT Index	0.12
HFRI FOF Comp Index	-0.22
Bloomberg Cmdb Index (TR)	0.10
ICE BofAML 3 Mo US T-Bill Index	-0.72
Cons Price Index (Unadjusted)	0.21
NCREIF ODCE Index (AWA) (Gross)	0.96



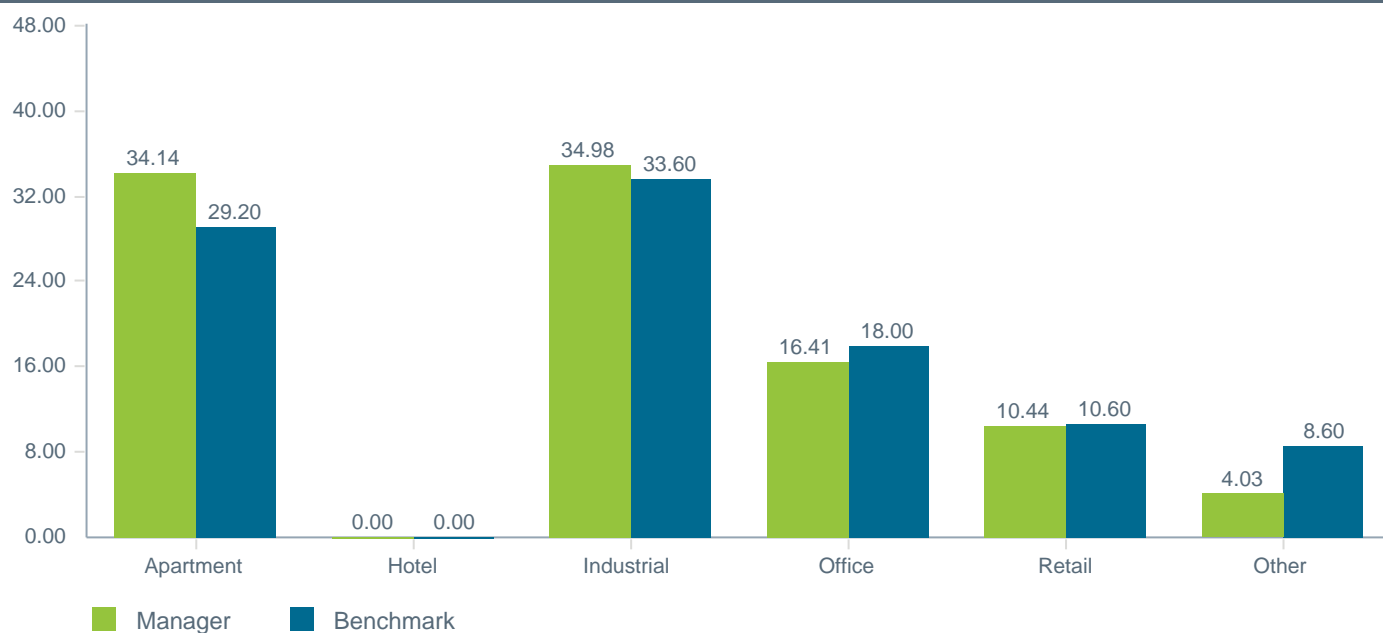
**Investment Strategy**

The Principal U.S. Property Account is a core real estate account designed to have a low to moderate risk profile consistent with other open-end real estate funds comprising the NFI-ODCE. This risk profile has two components: 1) a low to moderate real estate property risk profile; and 2) a low to moderate real estate portfolio level operating profile. Low to moderate real estate property risk is accomplished by investing primarily in well-leased properties on an unleveraged basis. Low to moderate portfolio level risk is accomplished by operating with limited portfolio level obligations and a well-diversified portfolio. The Account invests in the traditional real estate property types; multifamily, office, industrial, and retail.

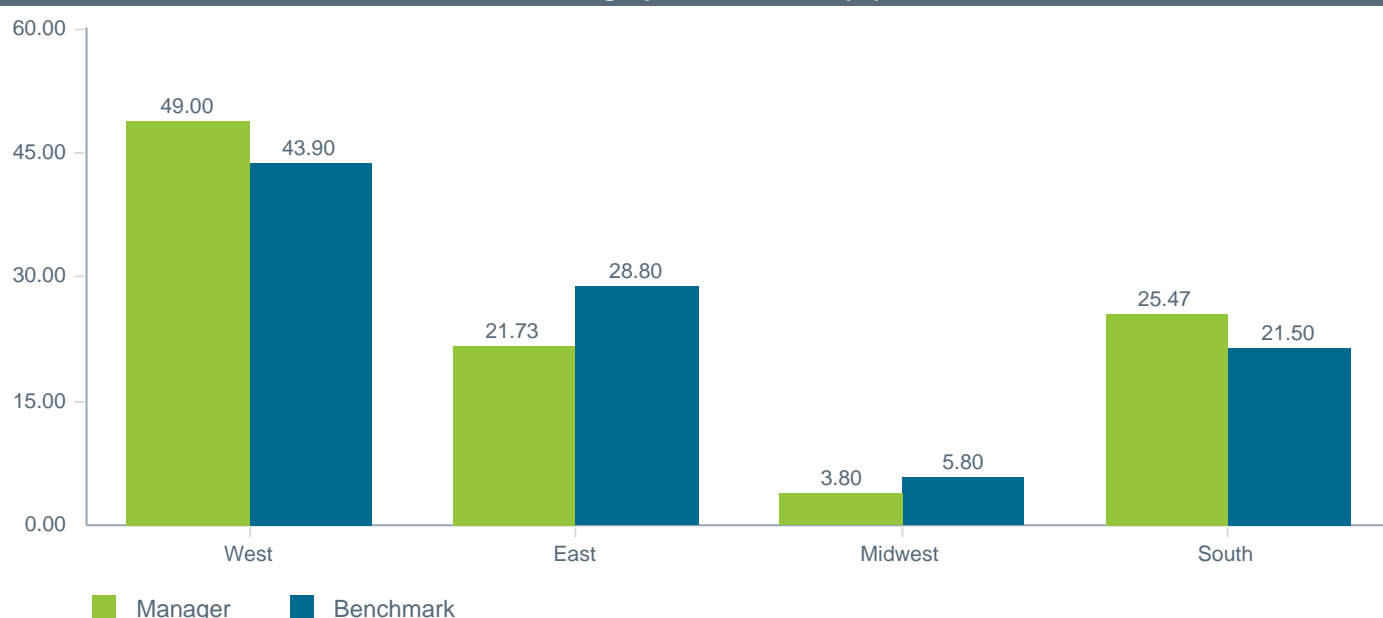
**Investment Profile**

Fund Inception	1982
Legal Structure	Insurance SA
Fund Structure	Open-End
Gross Real Estate Assets (mm) \$	11,902
Fund Leverage %	26.11
Portfolio Occupancy %	87.63
Cash Reserve %	2.10
Number of Investments	150
Number of Limited Partners	4,516

**Property Type Allocation (%)**



**Geographic Allocation (%)**



Performance shown is net of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Manager allocation to "Other" consists of land, self storage, and data centers. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.



Principal Real Estate

# Principal U.S. Property Account

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## **CITY OF JACKSONVILLE GENERAL RETIREMENT SYSTEM**

Darren Kleis - Managing Director, Portfolio Management

Greg Pittenger - Managing Director, Institutional Sales & Relationship Management



# EVERSTEAD AT WINDROSE

Houston, TX



Property shown is a representative holding.

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# Principal Real Estate

A global leader in real estate investing

A **top-10** global real estate manager<sup>1</sup>

More than **690 clients across 36 countries**<sup>2</sup>  
place their trust in our experience

Over **465 employees** across 11 countries

Over **315** real estate investment professionals<sup>3</sup>  
averaging **14 years of experience with the firm**

More than **\$124 billion** in real estate debt and  
equity transactions over the past decade<sup>4</sup>

Recognized globally as a **leader in  
sustainable investing**<sup>5</sup>

## \$97.7 billion

in assets under management<sup>2, 6</sup>

**Private Equity**  
Core, Value-add, and  
Opportunistic Strategies  
**\$48.9 billion**

**Private Debt**  
Commercial Mortgages and  
High Yield Debt  
**\$22.3 billion**

**Public Equity**  
REIT and Infrastructure  
Securities  
**\$20.5 billion**

**Public Debt**  
Commercial Mortgage-  
Backed Securities  
**\$5.9 billion**

As of 30 June 2024. <sup>1</sup>Managers ranked by total worldwide real estate assets (net of leverage, including contributions committed or received, but not yet invested; REOCs are included with equity; REIT securities are excluded), as of 30 June 2023. "The Largest Real Estate Investment Managers," Pensions & Investments, 9 October 2023. <sup>2</sup>Includes clients of, and assets managed by, Principal Real Estate Europe Limited and its affiliates. <sup>3</sup>Includes investment professionals of Principal Real Estate Europe Limited and its affiliates. <sup>4</sup>Excludes public REIT transaction volume. <sup>5</sup>As recognized by Global Real Estate Sustainability Benchmark (GRESB) assessment 4-Star rating (2023) as of October 2023. Data as of 31 December 2022. 4-star rating reflects top 40% worldwide performance. In order to receive a ranking, the firm paid GRESB an application fee to be evaluated and rights to use the rating. Principal Real Estate recognized as ENERGY STAR Partner of the Year 2016-2024, Sustained Excellence Award 2018-2024. The U.S. Environmental Protection Agency (EPA) annually honors organizations that have made outstanding contributions to protecting the environment through energy efficiency, April 2024. <sup>6</sup>Assets under management figures shown here does not include assets that are managed by Principal International and Retirement and Income Solutions divisions of Principal. Due to rounding, figures shown may not add to the total.

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# Principal U.S. Property Account

Principal U.S. Property Account is a daily valued, open-end, commingled portfolio sponsored and managed by Principal Real Estate. Notable features and objectives include:

- Pursue a private equity “core” investment strategy
- Actively manage a high-quality portfolio of nationally diversified, income producing properties
- Focus on income stability and growth over multiple market cycles
- Outperform NFI-ODCE Index



REGIONAL COMMERCE CENTER

500 WEST SECOND ST

OVERTURE MUELLER

GREEN FIRS TOWNE CENTER

NORTH MIAMI

# A team approach to portfolio management

Supported by dedicated research experience

## Private Equity portfolio management



**JOHN BERG**  
Senior Managing Director  
Global Head of Private Real Estate  
(30 years of experience, 30 years with the firm)

## Portfolio management team



**DARREN KLEIS**  
Managing Director  
Portfolio Management  
(30, 32)



**KYLE ELFERS**  
Managing Director  
Portfolio Management  
(25, 13)



**BRIDGET LECHTENBERG**  
Portfolio Manager  
(18, 18)



**ROSS JOHNSON**  
Senior Portfolio Analyst  
(13, 13)



**ELLEN BENNETT**  
Portfolio Analyst  
(5, 4)

## Research and strategy

- 6 team members focused on global real estate research
- 6 team members focused on data strategy and analytics
- Macroeconomic and microeconomic research, including economic, political, demographic, technological, property trend and capital market analyses
- Supply and demand analyses of major property sectors in U.S. markets
- Proprietary quantitative models and market specific research

As of 30 June 2024.

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## Senior Strategy Committee

- Meets at least quarterly
- Sets strategy & reviews guidelines
- Reviews performance

## Acquisitions/Dispositions and Asset Management

### Acquisitions/Dispositions

- Formal weekly meetings
- Ad hoc transaction meetings

### Asset Management

- Formal quarterly property review meeting
- Ad hoc material event meetings

## Investment Committee

- Meets weekly
- Reviews transactions for market and strategy consistency

# Account summary

## City of Jacksonville General Retirement System

Initial Investment (12/31/2013)	\$22,800,000
Contribution (01/02/2014)	\$4,200,000
Contribution (01/31/2014)	\$9,000,000
Contribution (05/15/2014)	\$36,000,000
Withdrawal (09/27/2023)	(\$3,741,081)
Withdrawal (02/08/2024)	(\$1,287,789)
Withdrawal (05/02/2024)	(\$5,657,056)
Withdrawal (07/25/2024)	(\$8,013,066)
<b>Account Value (as of 07/31/2024)</b>	<b>\$120,185,031</b>

## PRINCIPAL U.S. PROPERTY ACCOUNT

# Account profile

### Key statistics

<b>Inception</b>	January 1982
<b>Gross asset value</b>	\$11.62 billion
<b>Net asset value</b>	\$8.33 billion
<b>Investments</b>	145
<b>Leverage ratio<sup>1</sup></b>	25.7%
<b>Size</b>	40.8 million SF
<b>Occupancy<sup>2</sup></b>	93.5%
<b>One-year net absorption</b>	883,378 SF
<b>Institutional investors &gt; \$5 million</b>	145
<b>Contribution queue balance<sup>3</sup></b>	\$406.0 million
<b>Withdrawal limitation balance<sup>4</sup></b>	\$1.3 billion

As of 30 June 2024. <sup>1</sup>T1 Leverage Ratio as defined by NCREIF PREA Reporting Standards. <sup>2</sup>Occupancy excludes value-add properties which have not yet reached 75% leased, are under development or redevelopment. Occupancy for the total portfolio is 89.0%. <sup>3</sup>Given demand for investment exposure to the Portfolio and the Portfolio's capital needs, a contribution queue was instituted on 28 June 2019. When a contribution queue exists, each investor is fully invested by the order of the date of completed investor documentation. <sup>4</sup>A withdrawal limitation was implemented on 1 July 2022. The limitation provides for pro-rata payment of outstanding withdrawal requests as cash becomes available for distribution. The implementation of the limitation does not change the Portfolio's strategy to seek attractive risk-adjusted returns through investment in core real estate.

Property shown is representative holding. For a complete list of holdings, see "Property List" in Additional Information.

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1980 U.S. Highway 1  
New York, NY

# 2024 strategic themes

## ✓ INVESTMENT STRATEGY:

- Balanced approach through strategic dispositions and disciplined capital deployment
- Risk-adjusted relative value
- Focus on structural growth drivers for sector and market allocation

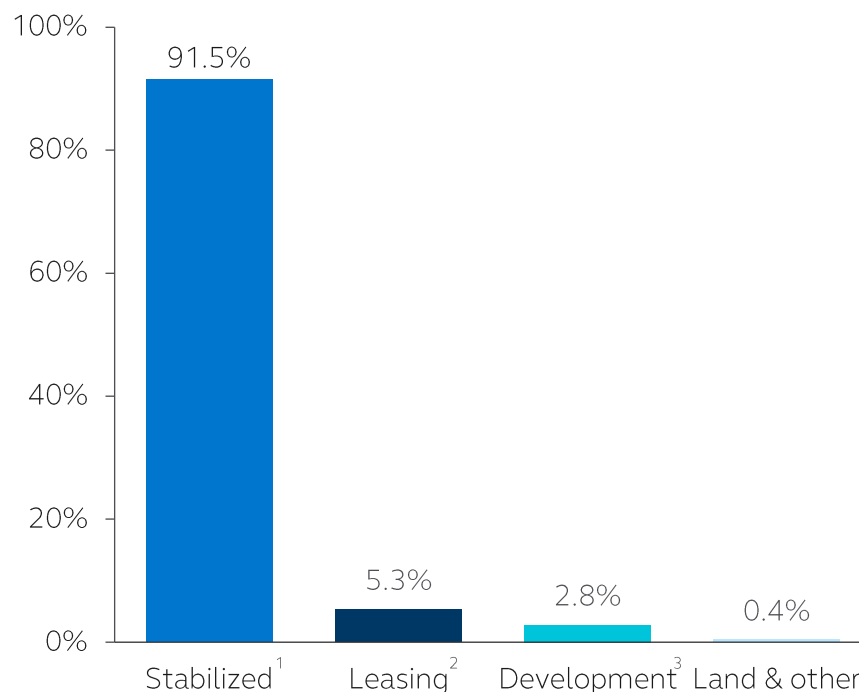
## ✓ MONITOR AND MITIGATE RISK:

- Prudent liability management
- Execute on non-core allocation
- Disciplined leasing and tenant credit

## ✓ DRIVE OPERATIONS:

- Maintain portfolio occupancy, including focused retention of office expirations
- Generate net operating income (NOI) growth
  - Capture contract-to-market rent delta
  - Execute leasing within the non-core allocation

## Lifecycle diversification

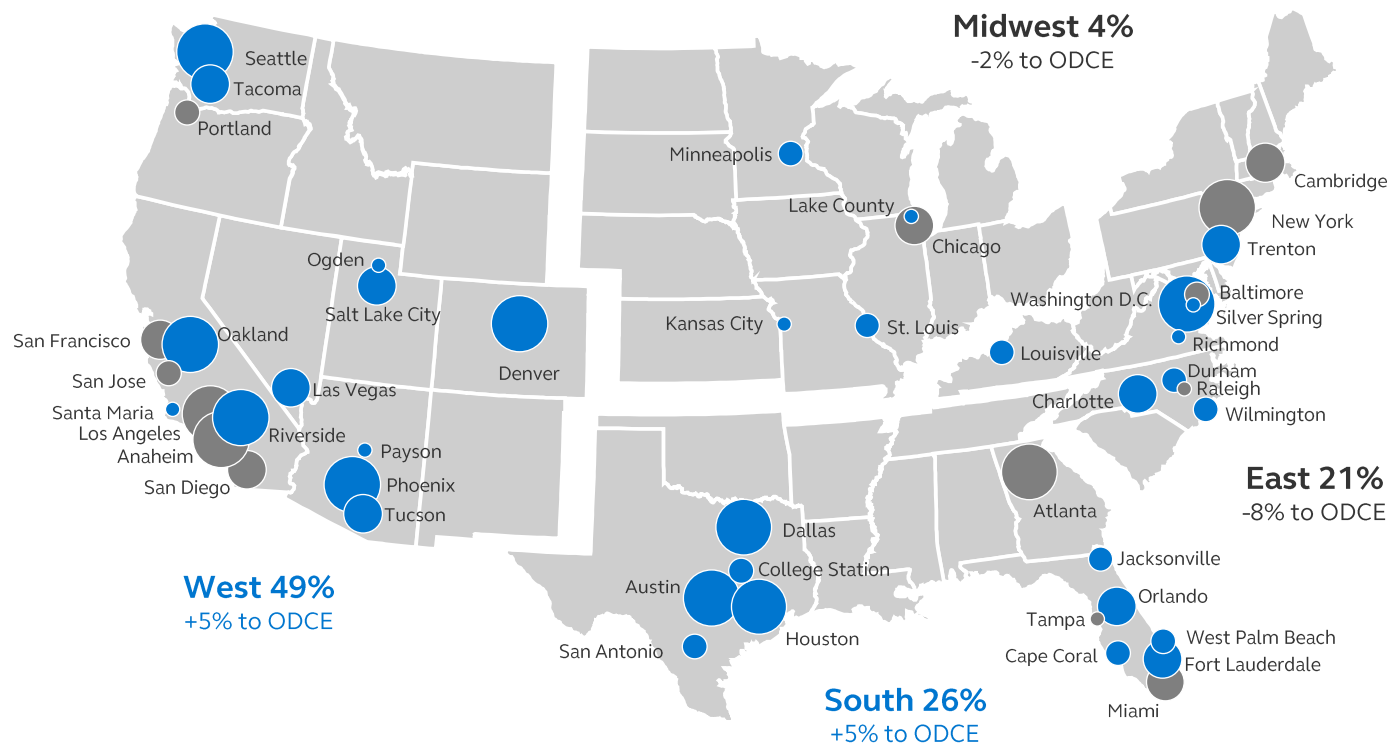


As of 30 June 2024. Percentages reflect the gross asset value of properties within each classification. <sup>1</sup>Minimum requirement of 85% in stabilized properties. <sup>2</sup>Includes properties that have not yet reached 75% leased. <sup>3</sup>Maximum limit of 7.5% in development.

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# Diversification



Circle indicates size of exposure  
(gross market value)



Color indicates position  
relative to ODCE<sup>1</sup>

- Overweight to ODCE
- Underweight to ODCE

As of 30 June 2024. <sup>1</sup>Over/underweights relative to Preliminary All ODCE Property data.

# PRINCIPAL U.S. PROPERTY ACCOUNT

## Industrial

Current allocation 35%

NFI-ODCE allocation 34%

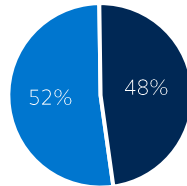
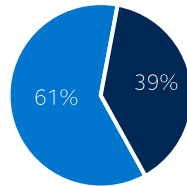
### Sector strategy

Strategic range: 35% – 40%

- Modest growth in allocation
- Remain primarily in warehouse sub-sector
- Own product that meets specific market demand
- Maintain overweight to major distribution hubs<sup>1</sup>
- Monitor supply pipeline and rate of new absorption

Current allocation NFI-ODCE allocation<sup>2</sup>

- Major distribution hubs
- All other markets



As of 30 June 2024. <sup>1</sup>Distribution hubs include Atlanta, Chicago, Dallas, Houston, Los Angeles, New York, Oakland, Riverside, San Francisco, Seattle and Tacoma. <sup>2</sup>Preliminary All ODCE Property data.

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CREWS COMMERCE CENTER  
Orlando, FL

# PRINCIPAL U.S. PROPERTY ACCOUNT

## Residential

Current allocation 35%

NFI-ODCE allocation 29%

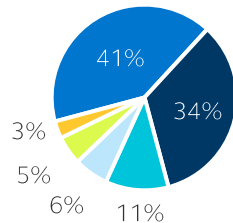
### Sector strategy

Strategic range: 35%–40%

- Measured growth in allocation
- Own non-commodity properties
- Maintain diverse tenant profile
- Execute build-to-core
- Increase alternative exposure

- Affordable/workforce
- Renter by choice
- Student housing
- Manufactured housing
- Age-restricted
- Single family rental

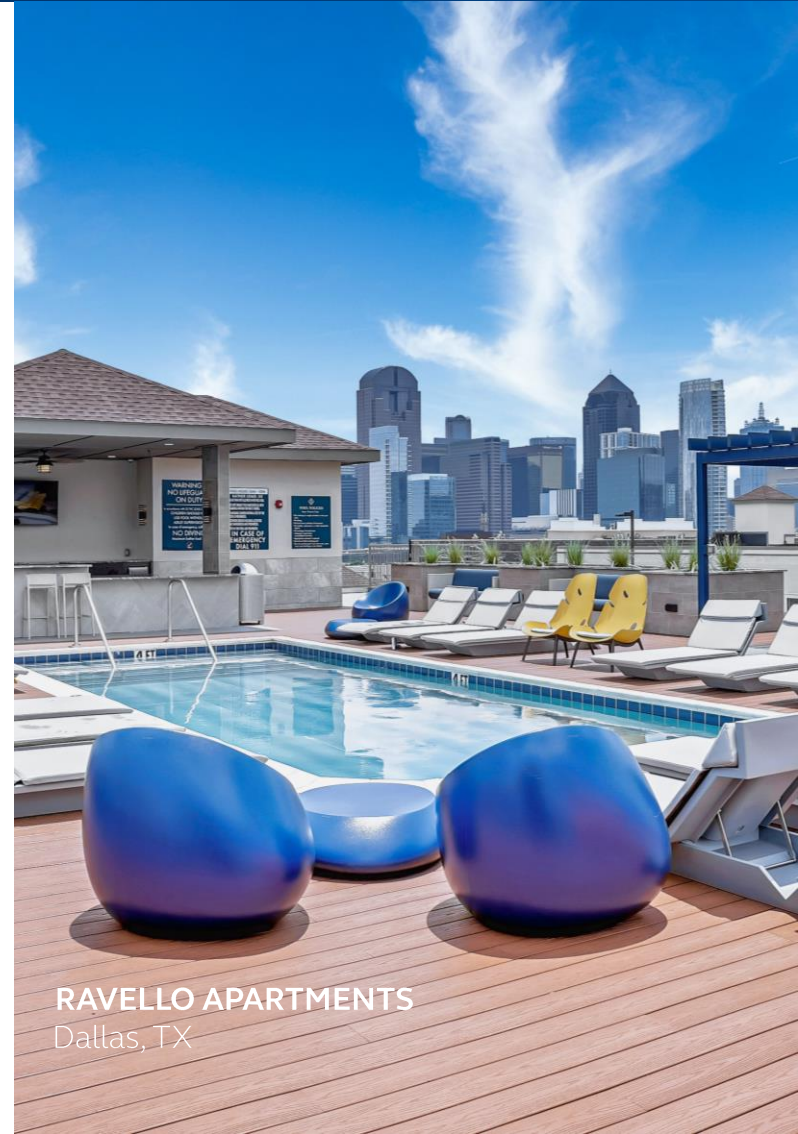
Current allocation



As of 30 June 2024.

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**RAVELLO APARTMENTS**  
Dallas, TX



# PRINCIPAL U.S. PROPERTY ACCOUNT Office

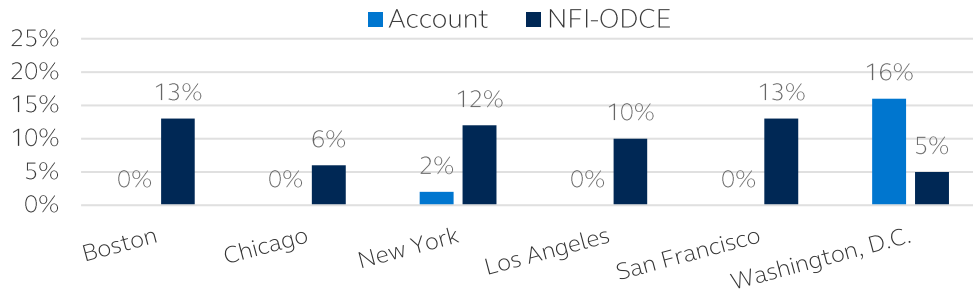
**Current allocation** 15%

**NFI-ODCE allocation** 17%

## Sector strategy

**Strategic range:** 10% – 15%

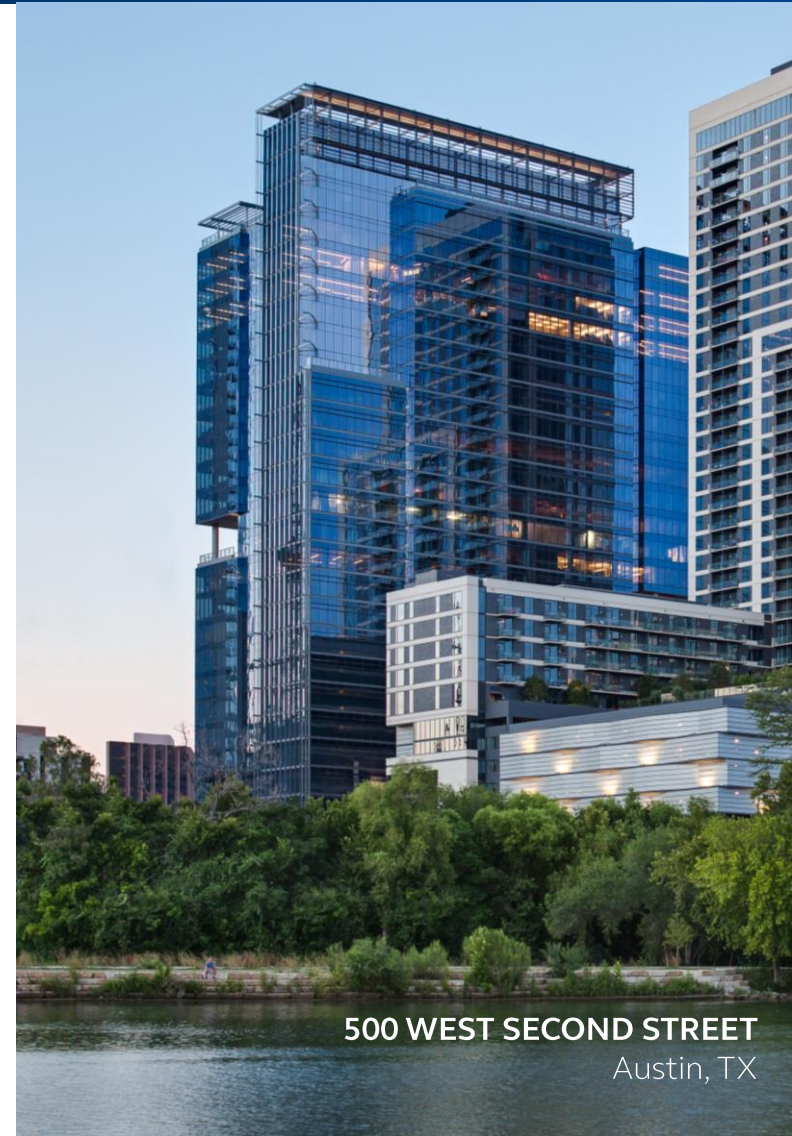
- Reduce allocation
- Monitor tenant procurement costs and space utilization
- Diversify subsector exposure
- Gateway market<sup>1</sup> exposure: Account 18% vs. NFI-ODCE 59%<sup>2</sup>



As of 30 June 2024. <sup>1</sup>Gateway markets include Boston, Chicago, New York, Los Angeles, San Francisco and Washington, D.C. <sup>2</sup>Preliminary All ODCE Property data.

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**500 WEST SECOND STREET**  
Austin, TX

# PRINCIPAL U.S. PROPERTY ACCOUNT

## Retail

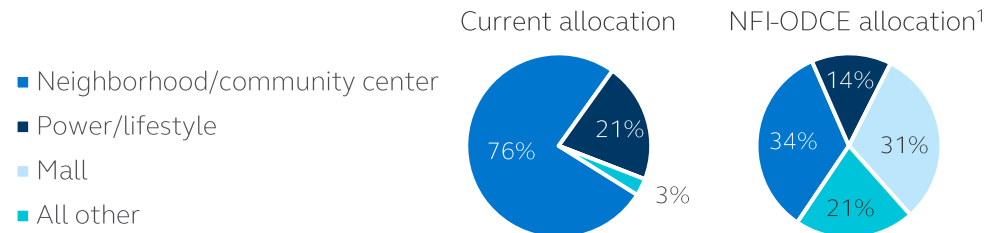
**Current allocation** 11%

**NFI-ODCE allocation** 11%

### Sector strategy

**Strategic range:** 10% – 15%

- Own primarily necessity-based formats; no mall exposure



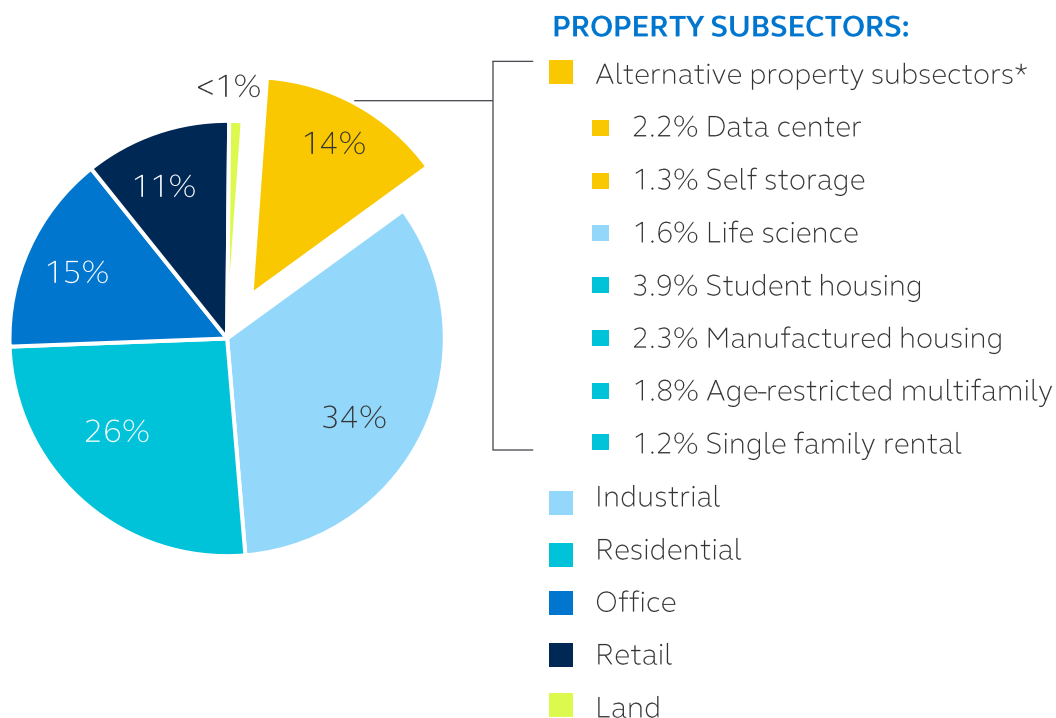
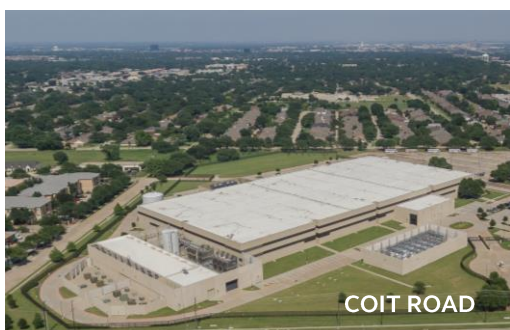
As of 30 June 2024. <sup>1</sup>Preliminary All ODCE Property data.

Property shown is a representative holding. For a complete list of holdings, see "Property List" in Additional Information.



# Property sector diversification

Longstanding commitment to alternative property subsectors



As of 30 June 2024. \*Alternative property subsectors are typically included within the primary property sectors. Properties shown are representative holdings. For a complete list of holdings, see "Property List" in Additional Information.



## PRINCIPAL U.S. PROPERTY ACCOUNT

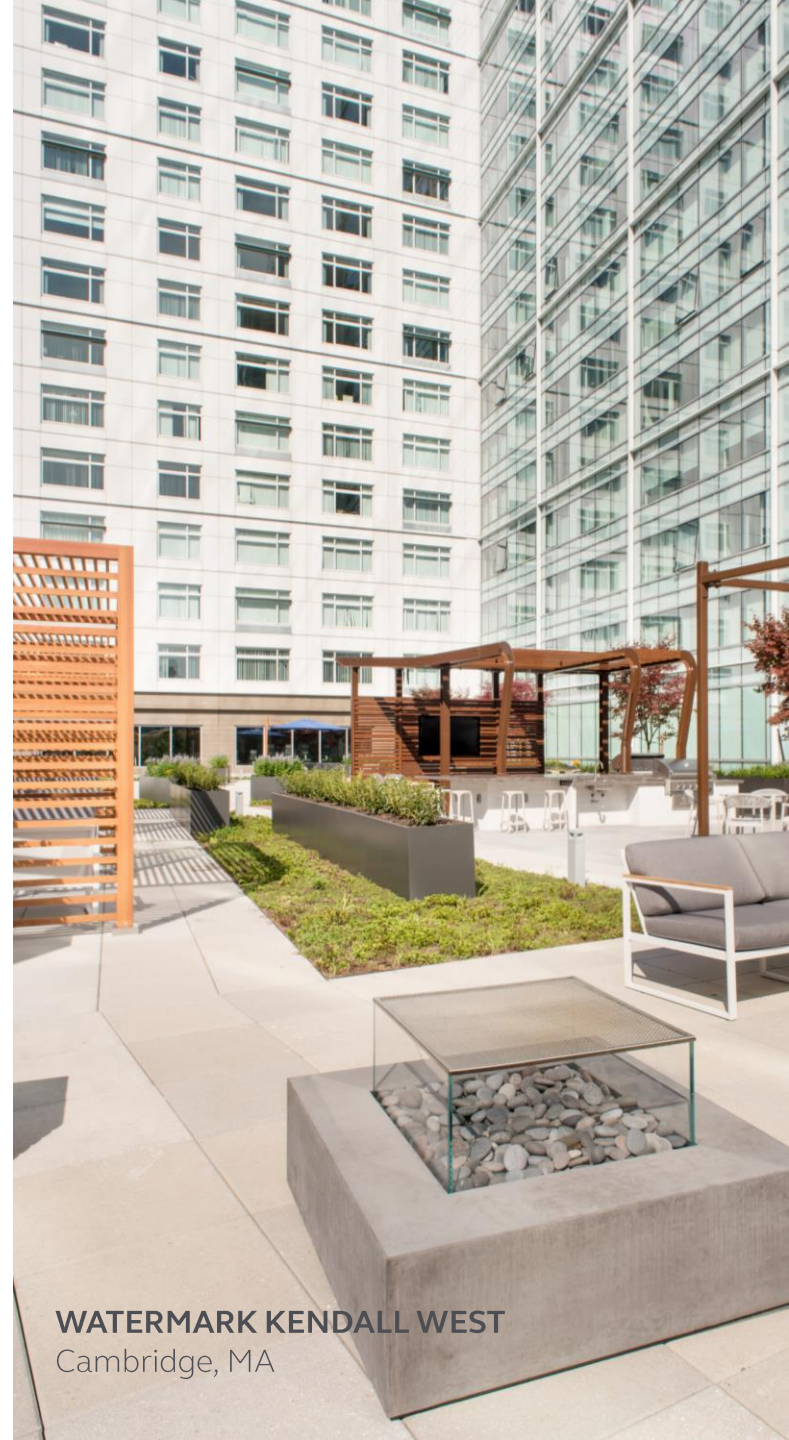
# Top 10 properties

Property	MSA	Sector	% of real estate <sup>1</sup>
1 Sonoran Village	Phoenix, AZ	Residential	3.7%
2 500 West Second Street	Austin, TX	Office	3.2%
3 Nine Two Nine	Seattle, WA	Office	2.9%
4 March Business Center	Riverside, CA	Industrial/Land	2.7%
5 Watermark Kendall East & West	Cambridge, MA	Residential/Retail	2.5%
6 Jurupa Business Park	Riverside, CA	Industrial	2.5%
7 Burbank Empire Center	Los Angeles, CA	Retail	2.3%
8 Park Place	Anaheim, CA	Office/Retail/Land	2.1%
9 Valley Centre Corporate Park	Seattle, WA	Industrial	2.1%
10 West Campus	Austin, TX	Residential/Retail	2.0%

As of 30 June 2024. <sup>1</sup>Based on gross real estate value.

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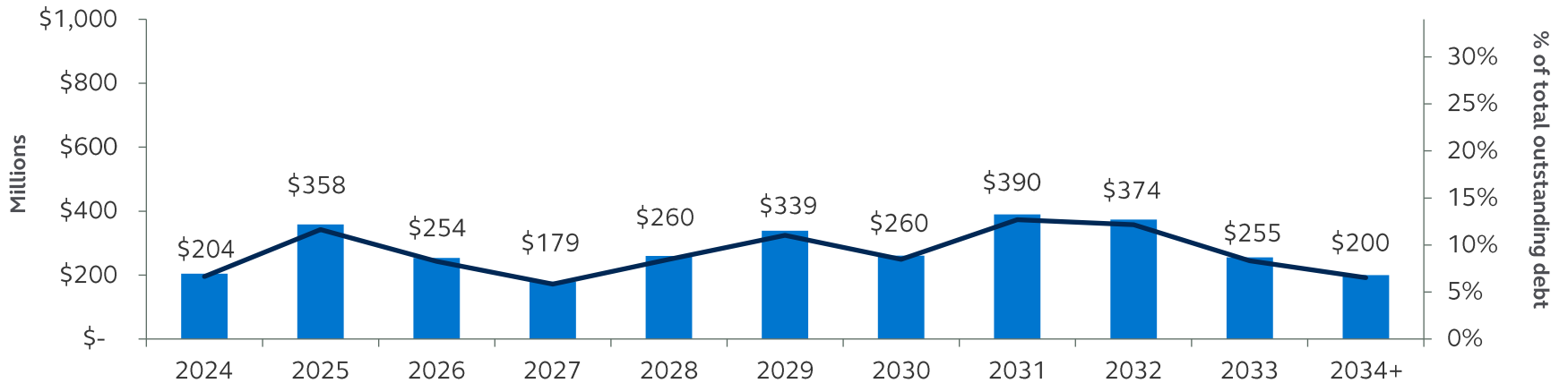


**WATERMARK KENDALL WEST**  
Cambridge, MA

# PRINCIPAL U.S. PROPERTY ACCOUNT

## Leverage highlights

### Debt maturities



#### Cost of debt

	Interest rate	% of total debt	Term (yrs)
Fixed rate	3.66%	86%	5.7
Floating rate	7.52%	14%	2.2
<b>Total obligations</b>	<b>4.20%</b>	<b>100%</b>	<b>5.2</b>

#### Type of debt

	Interest rate	% of total debt	Term (yrs)
Unsecured	3.04%	37%	7.9
Property	4.89%	63%	3.6
<b>Total obligations</b>	<b>4.20%</b>	<b>100%</b>	<b>5.2</b>

#### Line of credit

	Terms
Maturity	July 2026
Size	\$600M
<b>Outstanding</b>	<b>\$0M</b>

As of 30 June 2024.

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# PRINCIPAL U.S. PROPERTY ACCOUNT

## Performance summary

### Principal U.S. Property Account returns

	2Q24	One year	Three years	Five years	Ten years	Since inception <sup>4</sup>
Gross total return <sup>1</sup>	-0.69%	-7.96%	2.29%	3.69%	7.22%	7.57%
Net total return <sup>2</sup>	-0.90%	-8.74%	1.43%	2.81%	6.26%	6.42%
Gross unlevered property return <sup>3</sup>	-0.41%	-5.29%	2.50%	3.70%	6.77%	7.77%

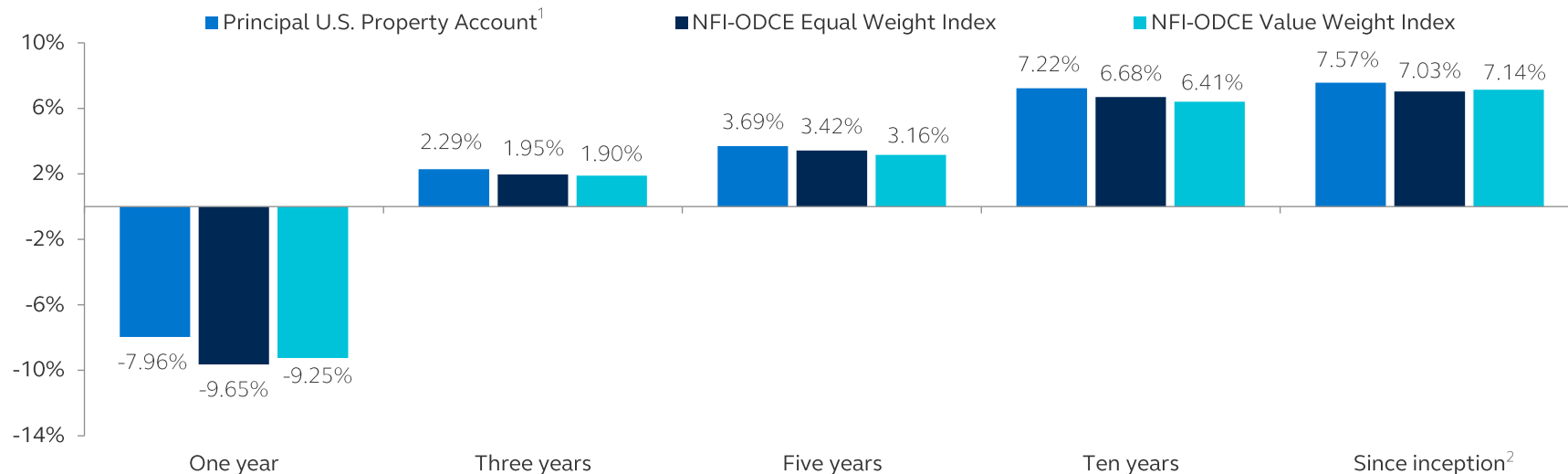
As of 30 June 2024. Source: Principal Real Estate. Returns for periods over one year are annualized. <sup>1</sup>Gross total returns include leverage. <sup>2</sup>Net total portfolio returns include leverage and are shown after deduction of expenses including investment management fees which range from 0.73% to 1.10% annually. The net figure expressed here was calculated based upon the actual annual investment management fee incurred. Please see the Important Information page in the Additional Information section for the net total portfolio return at the highest annual investment management fee level of 1.10%. Actual investment management fees incurred by clients may vary and are subject to change. <sup>3</sup>Property returns are unlevered, before fees and calculated in accordance with NCREIF property return methodology. <sup>4</sup>Inception Date: 30 January 1982. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.

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# PRINCIPAL U.S. PROPERTY ACCOUNT

## Portfolio summary

### Gross total returns



Net total returns <sup>3</sup>	One year	Three years	Five years	Ten years	Since inception <sup>2</sup>
Principal U.S. Property Account	-8.74%	1.43%	2.81%	6.26%	6.42%
Income return	One year	Three years	Five years	Ten years	
Principal U.S. Property Account Portfolio Level (Gross) <sup>1</sup>	4.41%	4.09%	4.11%	4.47%	
NCREIF Fund Index – ODCE Equal Weight (Gross)	3.77%	3.68%	3.87%	4.24%	
NCREIF Fund Index – ODCE Value Weight (Gross)	3.92%	3.70%	3.81%	4.14%	

As of 30 June 2024. Source: Principal Real Estate. Returns for periods over one year are annualized. <sup>1</sup>Gross total returns include leverage. <sup>2</sup>Inception Date: 30 January 1982. <sup>3</sup>Net total returns include leverage and are shown after deduction of expenses including investment management fees which range from 0.73% to 1.10% annually. Actual investment management fees incurred by clients may vary and are subject to change. The net figure expressed here was calculated based upon the actual annual investment management fee incurred. Please see the Important Information page in the Additional Information section for the net total portfolio return at the highest annual investment management fee level of 1.10%. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions. NCREIF Fund Indices are shown for comparative purposes only. The two methods of calculation of performance for the NCREIF indices are not identical and it is not possible to invest directly in the NFI-ODCE. The NFI-ODCE Equal Weight is presented to show what the results would be if all funds were treated equally, regardless of size. This presentation is typically used for statistical purposes and peer-to-peer comparisons. The statistical data regarding the NFI-ODCE has been obtained from sources believed to be reliable, but it has not been independently verified.

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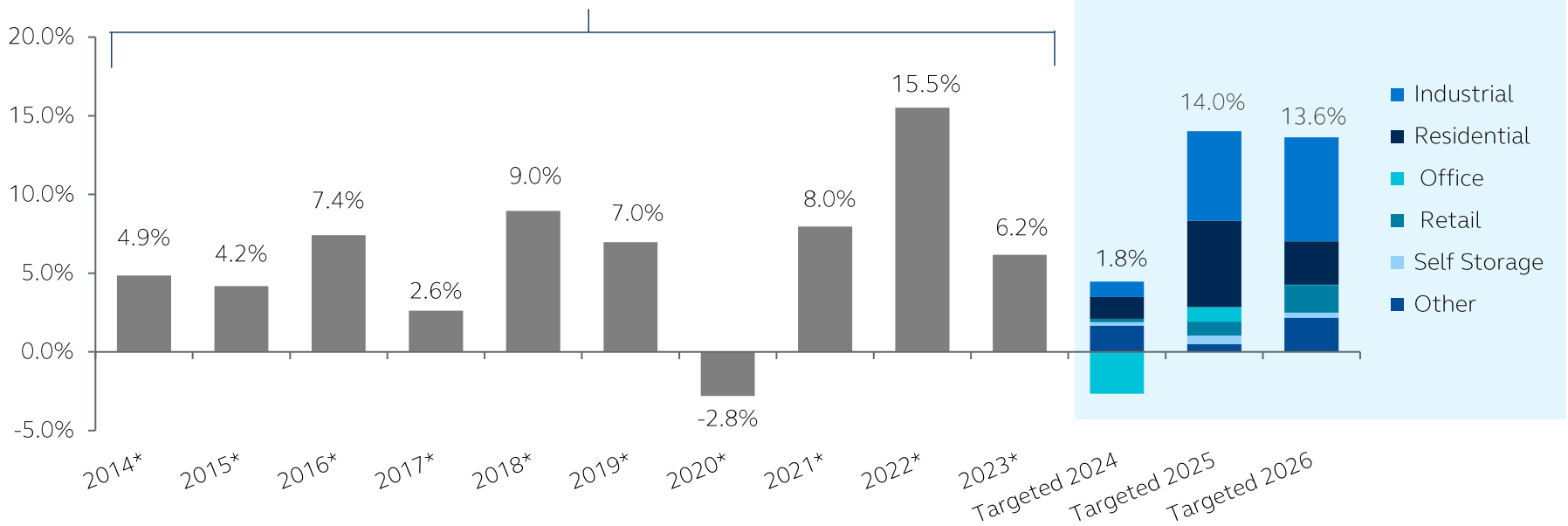
# PRINCIPAL U.S. PROPERTY ACCOUNT

## Same-property NOI growth

### Year-over-year period

U.S. Property Account Annual Average: 6.2%

NFI-ODCE Annual Average: 3.1%



\*Includes land NOI growth.

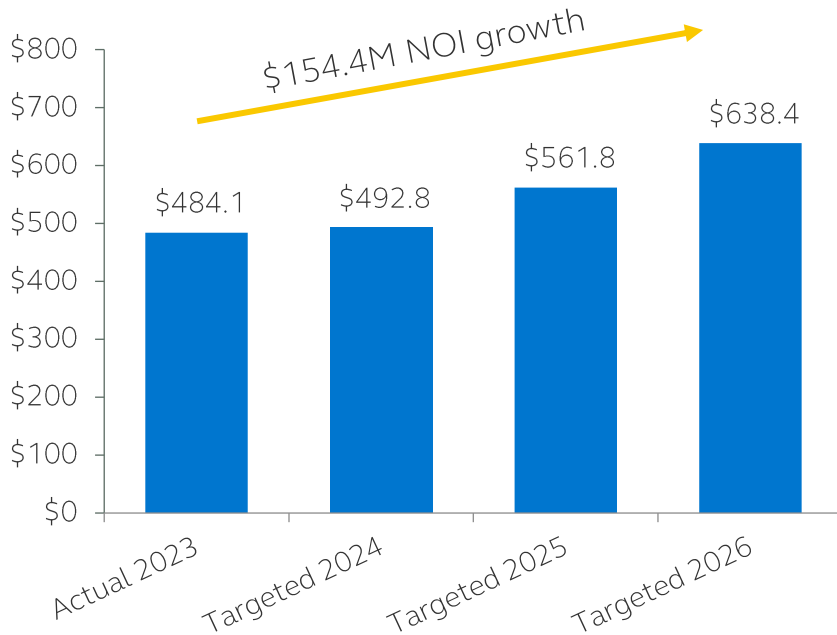
As of 30 June 2024, NOI is net operating income at the property level and is before fees. The same-property portfolio includes properties purchased prior to 1 January 2023 and excludes properties sold prior to 30 June 2024. Targeted NOI is based on discounted cash flow models validated by the Account's valuation consultants and reflect the current views and opinions of Principal Real Estate and are not intended to be, nor should they be relied upon in any way as a forecast or guarantee of future events regarding particular investments or the markets in general. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.

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# PRINCIPAL U.S. PROPERTY ACCOUNT

## Targeted NOI growth

### Same-property targeted NOI (\$M)



**Cumulative NOI growth through 2026; \$154.4M or 31.9%**

### NOI growth drivers through 2026 (\$M)

**Operating** **\$61.9**

- Industrial \$31.6
- Residential \$24.1
- Office -\$8.3
- Retail \$13.7
- Self Storage \$0.6
- Other \$0.2

**Development and leasing** **\$92.4**

#### Top 10 contributors:

- Coit Road
- Matter Logistics @ North 15
- North Airworld Drive
- Pacific Summit Logistics Center
- Portside Logistics Center
- OnSunset
- The Beverly by Alta
- Slabtown Square
- Deer Valley Industrial
- Austin Hills

**Total estimated NOI growth by YE 2026** **\$154.4**

As of 30 June 2024, NOI is net operating income at the property level and is before fees. The same-property portfolio includes properties purchased prior to 1 January 2023 and excludes properties sold prior to 30 June 2024. Targeted NOI is based on discounted cash flow models validated by the Account's valuation consultants and reflect the current views and opinions of Principal Real Estate and are not intended to be, nor should they be relied upon in any way as a forecast or guarantee of future events regarding particular investments or the markets in general. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.

# Why Principal U.S. Property Account

## Strategy and results

### ✓ RESEARCH-BASED DIVERSIFICATION

#### Overweight

- Industrial
- Residential
- Alternative sectors

#### Underweight

- Office
- Retail

### ✓ OPERATIONAL EFFECTIVENESS

- Trailing twelve-month positive net absorption of more than 883,000 SF as of 30 June 2024
- Average annual positive net absorption of more than 1.0 million SF over the past ten calendar years

### ✓ DEMONSTRATED GROWTH IN NET OPERATING INCOME

- Average annual NOI growth of 6.2% over the last ten calendar years compares favorably to 3.1% for the benchmark over the same time period
- Significant targeted NOI growth in through 2026

### ✓ LONG-TERM RETURN OUTPERFORMANCE

- Total return outperformance relative to the benchmark over the one, three, five, ten-year and since inception time periods
- Income return outperformance relative to the benchmark over the quarter, one, three, five and ten-year time periods

## Firm and team

- ✓ The flagship investment vehicle of Principal Real Estate
- ✓ Stability of Principal Real Estate's platform
- ✓ Tenure and industry experience of the portfolio management team
- ✓ The Principal Financial Group, its affiliates and employees have over \$410.8 million invested in the U.S. Property Account as of 30 June 2024

Net operating income (NOI) growth is based on current same-property portfolio and does not include disposition activity. NOI is net operating income at the property level and is before fees. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions. Targeted growth reflects the current views and opinions of Principal Real Estate and is not intended to be, nor should it be relied upon in any way as a forecast or guarantee of future events regarding particular investments or the markets in general.



VITA LITTLETON  
Denver, CO



Property shown is a representative holding.

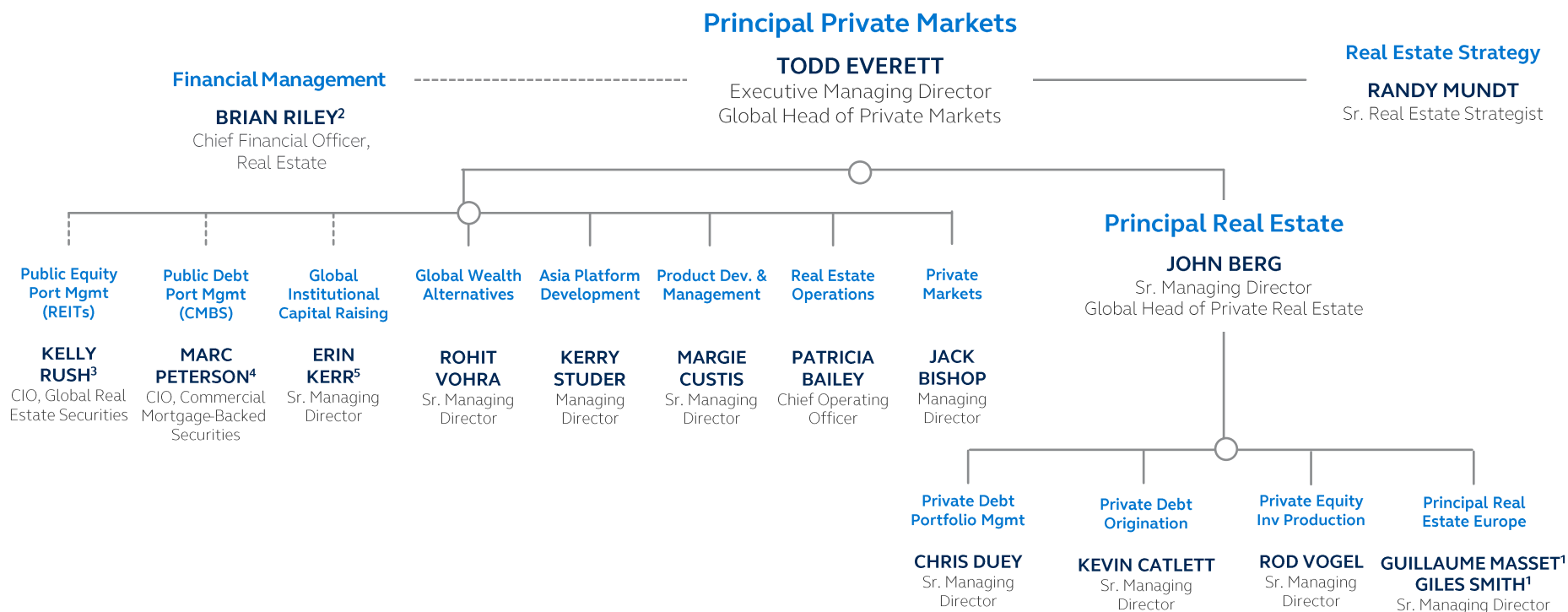
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# Additional information

<u>Principal Real Estate</u>	25
<u>Account structure and terms</u>	26
<u>Portfolio information</u>	31
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# Principal Real Estate



<sup>1</sup> Designated individuals located outside the U.S.

<sup>2</sup> Direct reporting line to Jill Hittner, Principal AM, CFO

<sup>3</sup> Direct reporting line to George Maris, Principal AM, CIO, Global Head of Equities, and Portfolio Manager

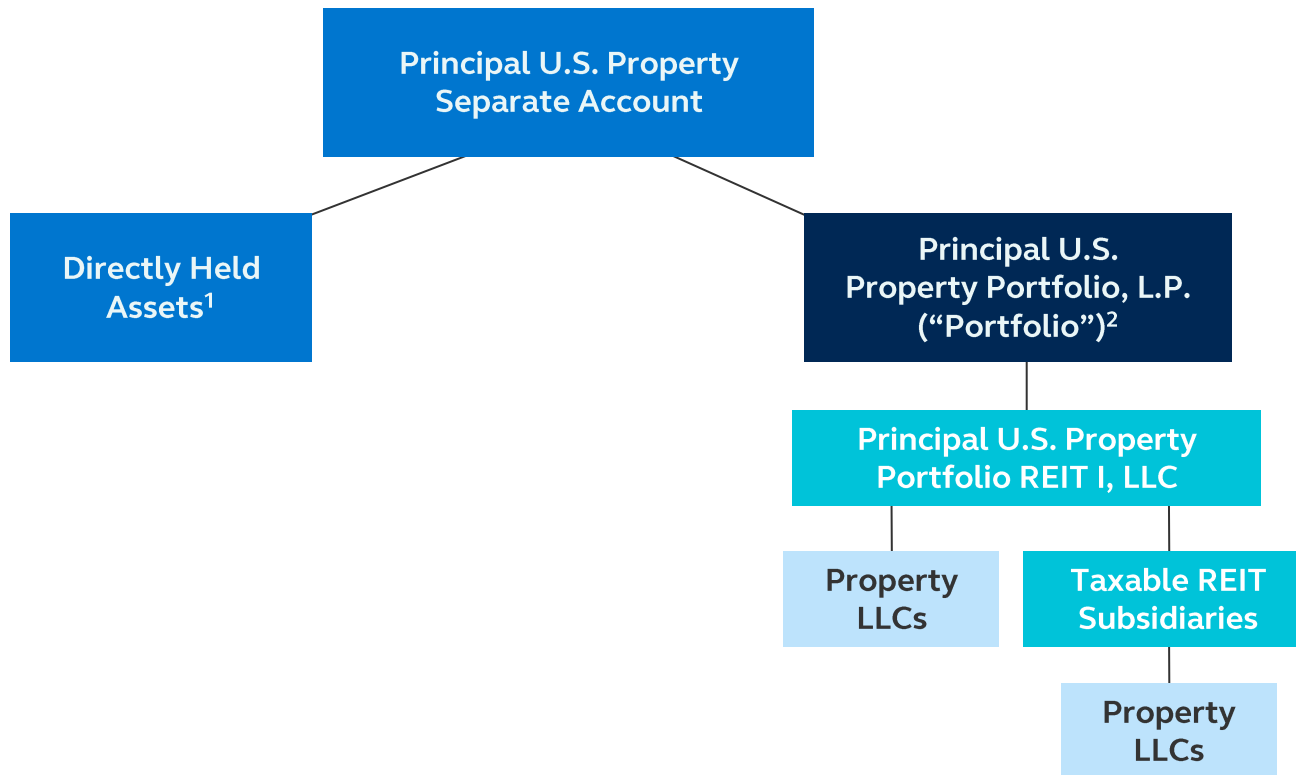
<sup>4</sup> Direct reporting line to Laura Rank, Principal AM, Portfolio Manager, Head of Structured Debt

<sup>5</sup> Direct reporting line to Tim Hill, Principal AM, Head of U.S. and European Client Group

As of June 30, 2024



# Account structure



<sup>1</sup>Directly Held Assets are retained or acquired by the Separate Account and are not part of the assets owned by Principal U.S. Property Portfolio, L.P.

<sup>2</sup>It is not possible to invest directly into Principal U.S. Property Portfolio, L.P.

This information is limited to existing investors in the Principal U.S. Property Separate Account and their advisors. The information provided herein is confidential and shall not be disclosed to any third-party without the express written consent of Principal Real Estate, except as required by law or regulatory requirements. The information contained herein does not constitute investment advice or an offer to sell or a solicitation of an offer to buy securities.

# Summary of Account terms

<b>Inception date</b>	January 1982
<b>Legal structure</b>	Insurance company separate account sponsored by Principal Life Insurance Company and managed by Principal Real Estate
<b>Investors</b>	U.S. qualified retirement plans and 457 plans <sup>1</sup>
<b>Minimum investment</b>	\$1.0 million
<b>Contributions</b>	Daily, in the absence of a contribution queue
<b>Distributions</b>	All cash is automatically reinvested in the Account unless otherwise directed by each individual client
<b>Redemptions<sup>2</sup></b>	Daily, in the absence of a withdrawal limitation; clients whose net asset value is greater than \$50 million are subject to additional restrictions

<sup>1</sup>The Principal U.S. Property Separate Account is an open-end, commingled real estate account available to U.S. retirement plans meeting the requirements for qualification under Section 401(a) of the Internal Revenue Code of 1986 ("Code"), as amended, and U.S. governmental plans meeting the requirements of Section 457 of the Code, as amended, since 1982. The Account is an insurance company separate account sponsored by Principal Life Insurance Company and managed by Principal Real Estate. <sup>2</sup>The Account is subject to the withdrawal limitation implemented on 1 July 2022.

# Fee structure

## Investment management fee schedule

Total equity invested	Annual fee
Up to \$10 million	110 bps
\$10 million up to \$25 million	100 bps
\$25 million up to \$100 million	95 bps
\$100 million up to \$250 million	80 bps
\$250 million up to \$750 million	75 bps
\$750 million and greater	73 bps

- Deducted daily based upon the net asset value of each investor's account balance
- As an example, an investor with an account balance of \$150 million pays 80 bps on the entire account balance, or an estimated annual fee of \$1.2 million

The Account does not charge acquisition, development or financing fees. When an investor increases its account value into another fee tier, the entire account balance is charged the lower investment management fee level.

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# Investment guidelines



## PROPERTY SECTOR

- Residential, office, industrial, retail, self storage and other real estate properties
- 50% - 150% of All ODCE Property Index



## LEVERAGE

- Maximum leverage is 33% of gross assets
- Property level maximum leverage is 80% at incurrence



## LOCATION

- Broad geographic diversification
- Focus on approximately 40 U.S. markets.



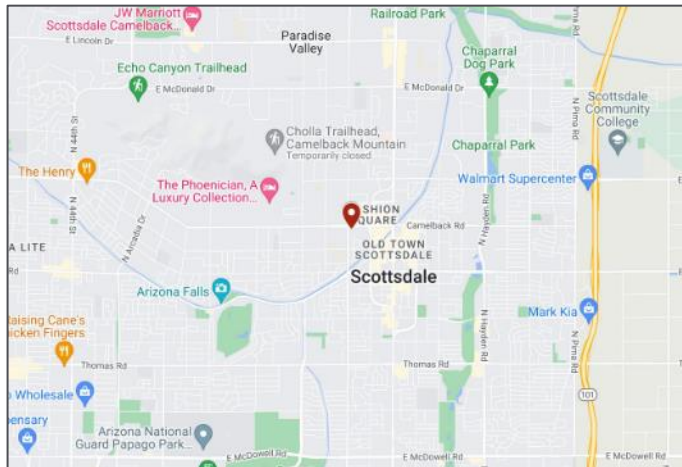
## HOLD/SELL STRATEGY

- Hold most properties for 2 to 10 years
- Continuously monitor market conditions to dictate sale timing

# Sonoran Village

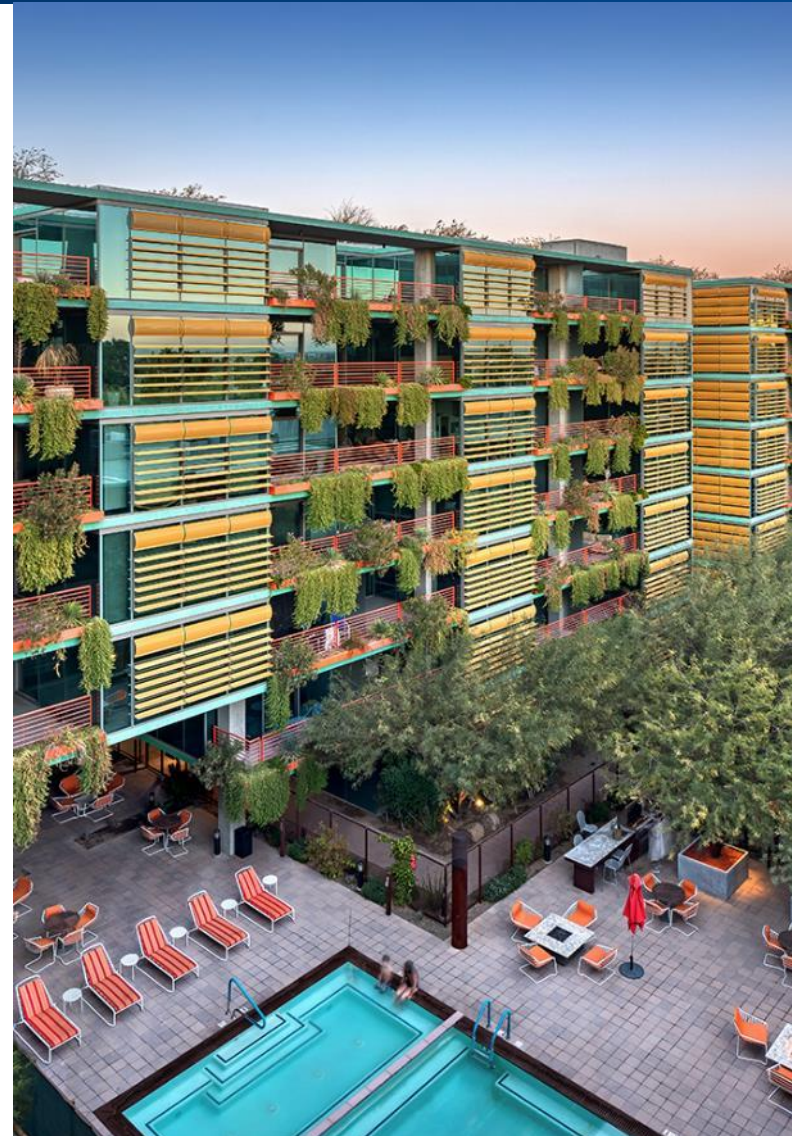
Phoenix, AZ

- Acquisition/build-to-core strategy with construction completion in 2019
- Phase I & II includes 592 units and Phase III includes 176 units
- Adjacent to Scottsdale Fashion Square regional mall and two blocks from Scottsdale Waterfront
- Amenities include private balconies and terrace outdoor living spaces, floor-to-ceiling windows, indoor/outdoor pools and spas and 12,000 SF of retail



As of 30 June 2024. Property shown is a representative holding.  
For a complete list of holdings, see "Property List" in Additional Information.

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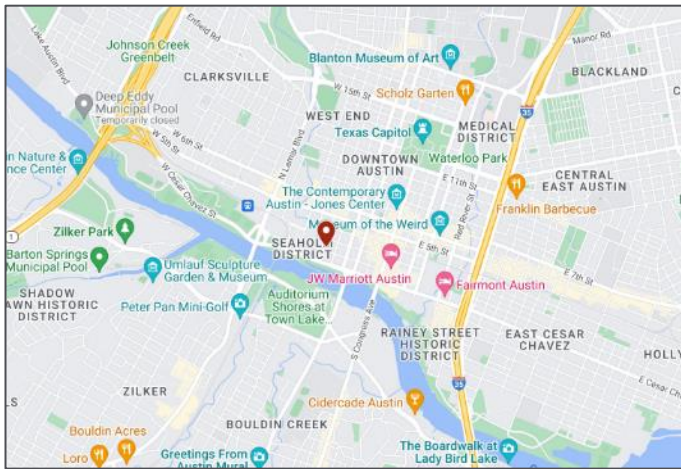




# 500 West Second Street

## Austin, TX

- Build-to-core strategy with construction completion in 2017
- 29-story office tower in the Austin CBD with access to I-35 and the Mopac Expressway
- Views of Lady Bird Lake and in close proximity to several amenities
- LEED Gold certification
- Major tenants include Google, Deloitte, Gensler, King & Spalding and CBRE
- 100% leased



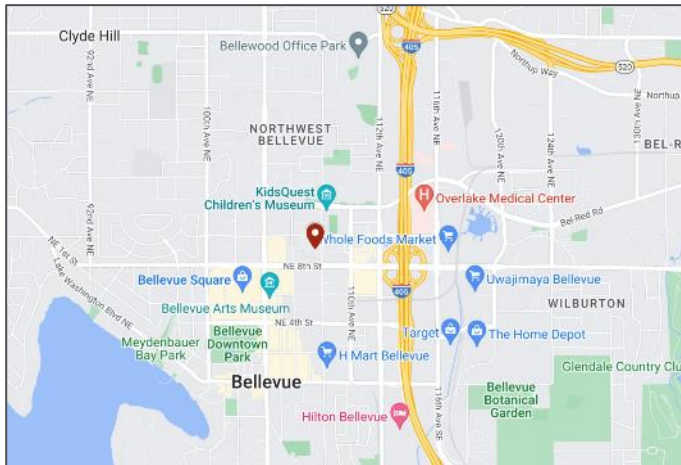
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# Nine Two Nine

## Seattle, WA

- Build-to-core strategy with construction completion in 2015
- Located in the heart of the Bellevue CBD with excellent access to I-405 and SR 520
- 19-story Class A office building with 4,000 SF of street-level retail
- LEED Gold and ENERGY STAR certification
- Major tenants include Salesforce.com, VISA, Sony Interactive and HDR Engineering
- 100% leased



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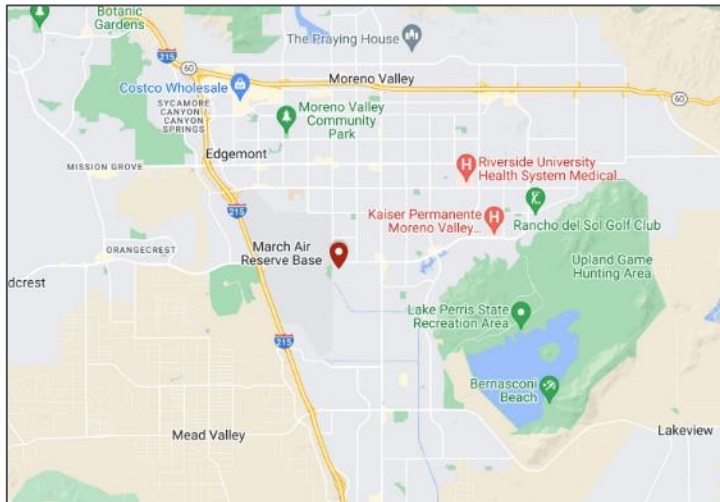




# March Business Center

Riverside, CA

- Located along the I-215 Corridor in the heart of the Inland Empire East submarket
- Immediate access to Interstate 215 and less than 90 minutes from the Ports of Los Angeles and Long Beach and LAX
- LEED Silver, IREM and CALGreen certification
- Major tenants include Floor and Décor and Medline Industries



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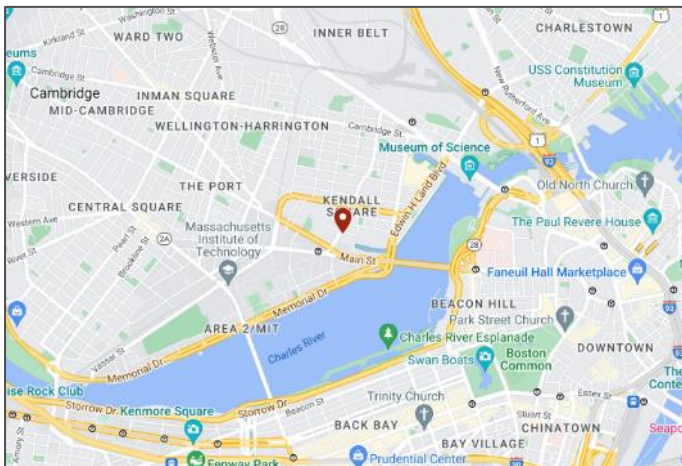
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# Watermark

## Cambridge, MA

- Build-to-core strategy with construction completion in 2006 and 2013
- Amenities include Cambridge Landing park, boat launch, fitness center and amenity deck
- Views of Charles River and Boston skyline
- Transportation options include short walk to MIT/Kendall Square Red Line T stop and ZipCar
- Watermark Kendall West is LEED Gold, ENERGY STAR and IREM certified and Watermark Kendall East is LEED Silver, ENERGY STAR and IREM certified



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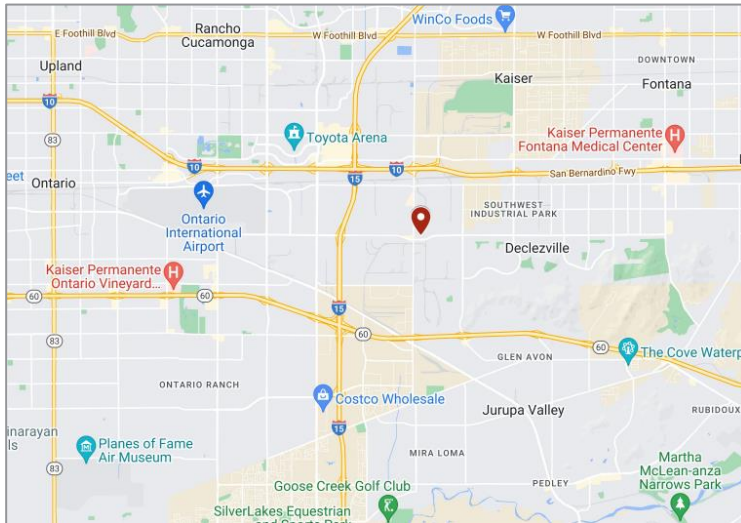
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# Jurupa Business Park

## Riverside, CA

- Located in the heart of the Inland Empire West submarket
- Immediate access to Interstates 10 and 15 and Highway 60
- Major tenants include Newell Brands and B&G Foods North America
- ENERGY STAR certified



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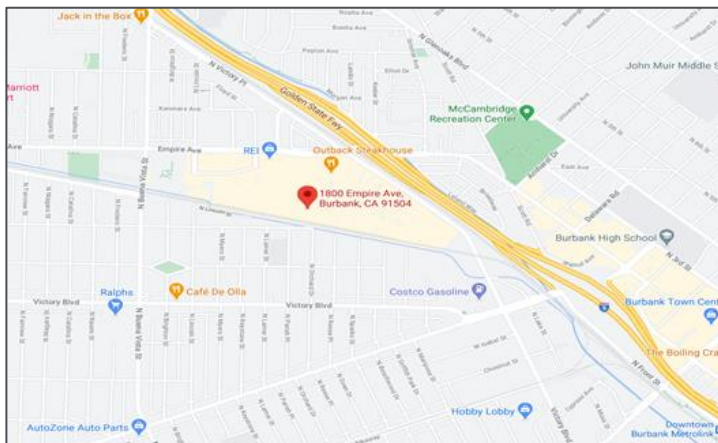
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# Burbank Empire Center

## Los Angeles, CA

- Frontage on and excellent visibility from I-5 Freeway
- 99.8% leased
- IREM certified
- Anchors include Lowes, Target, Best Buy, Nordstrom Rack, REI (flagship location) and West Elm



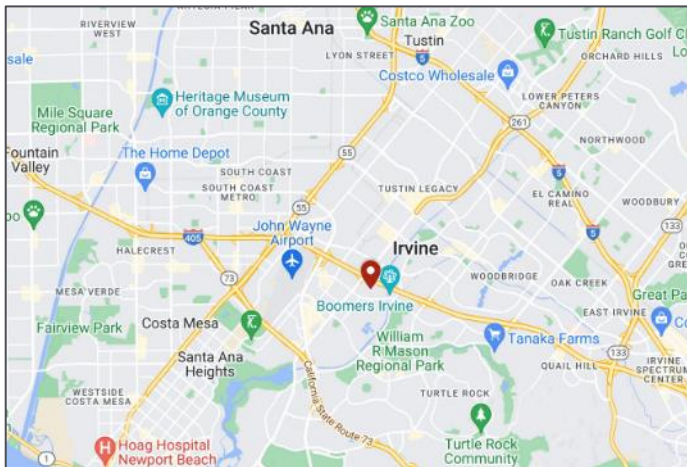
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# Park Place

Anaheim, CA

- Includes eight office buildings, two retail properties (2.2 million SF total) and a 3-acre developable land parcel
- Frontage along the 405 Freeway at Jamboree
- Onsite amenities include an array of restaurants and retail stores, on site state-of-the-art LA Fitness and a full-service café
- LEED Gold, Fitwel, IREM, BOMA 360 and ENERGY STAR certifications; achieved UL Verified Healthy Building for Indoor Environment and Smart Building; built to CALGreen standard
- Major tenants include Western Digital Technologies, Panasonic Avionics Corporation, St. Joseph Health System and Ingram Micro



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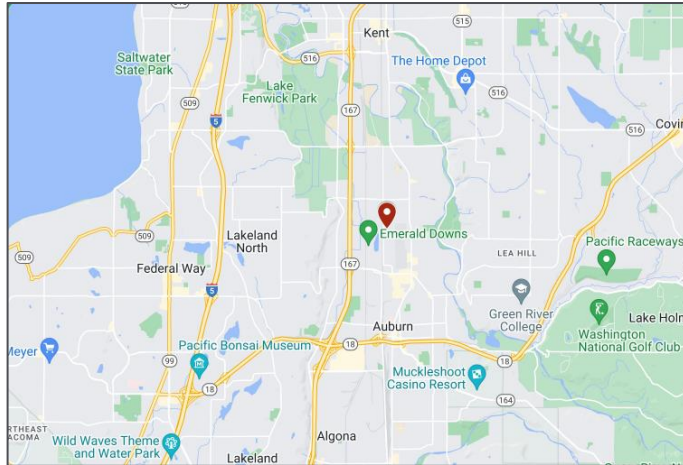




# Valley Centre Corporate Park

## Seattle, WA

- Location in the Kent Valley submarket offers truck, air and water transportation access
- 10 miles from the Sea-Tac Airport and Port of Tacoma and 25 miles from the Port of Seattle
- 98.8% leased
- Diverse tenant base



As of 30 June 2024. Property shown is a representative holding.  
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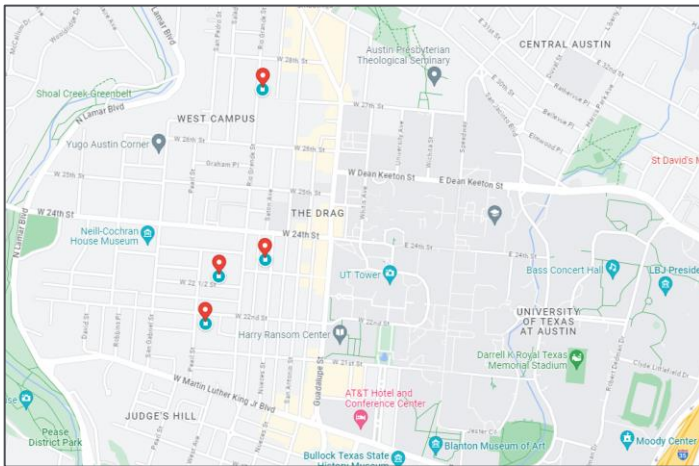
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# West Campus

Austin, TX

- Includes 691-bed West Campus Phase I and 959-bed West Campus Phase II
- Campus proximate, purpose-built student housing located two blocks from the University of Texas campus
- Amenities include a fitness center, pool, in-unit washer/dryer and granite countertops as well as over 57,000 SF of retail space between the two projects
- West Campus Phase I is ENERGY STAR and IREM certified



As of 30 June 2024. Property shown is a representative holding.  
For a complete list of holdings, see "Property List" in Additional Information.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

# 2024 Acquisition activity

Property	Sector	Size	Location
Magnolia Rental Portfolio*	Residential	29 homes	Multiple

As of 30 June 2024. \*An additional 22 homes were purchased in the second quarter; the total Magnolia Rental Portfolio includes 222 homes

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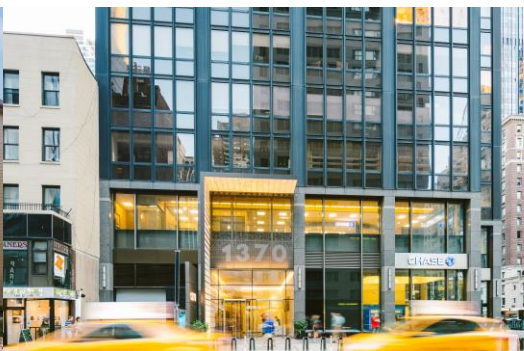
## PRINCIPAL U.S. PROPERTY ACCOUNT

# 2024 Disposition activity

Property	Sector	Size	Location
INOVA Dry Creek <sup>1</sup>	Land	2.4 acres	Denver, CO
3351 Philadelphia	Industrial	203,408 SF	Riverside, CA
Ontario	Industrial	317,070 SF	Riverside, CA
Hardin House	Residential	229 beds	Austin, TX
Trestles Apartments	Residential	188 units	Houston, TX
Lake Worth Marketplace	Retail	197,553 SF	Fort Worth, TX
1370 Avenue of the Americas	Office	350,996 SF	New York, NY
North Avenue Collection	Office/Retail	199,683 SF	Chicago, IL



TRESTLES APARTMENTS



1370 AVENUE OF THE AMERICAS



NORTH AVENUE COLLECTION

As of 30 June 2024. Past disposition activity should not be relied upon as any indication of future deal flow. <sup>1</sup>Non-consolidated joint venture.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

# Development activity

Property	Sector	Size	Location	Estimated Completion
Deer Valley Industrial	Industrial	356,810 SF	Phoenix, AZ	3Q2024
The Beverly by Alta	Residential	291 units	Atlanta, GA	3Q2024
Everstead at Windrose	Residential	194 homes	Houston, TX	3Q2024
Austin Hills	Industrial	544,160 SF	Austin, TX	1Q2025
OnSunset	Residential	176 units	Los Angeles, CA	1Q2025



THE BEVERLY BY ALTA



DEER VALLEY INDUSTRIAL



ONSUNSET

As of 30 June 2024. Pictures are renderings.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

# Property list

Property	MSA	Sector	NCREIF region	Size	Occupancy
Dorsey Run Road	Baltimore-Columbia-Towson, MD	Industrial	East	156,140 SF	100%
Patuxent Range Road	Baltimore-Columbia-Towson, MD	Industrial	East	241,709 SF	100%
Regional Commerce Center	Durham-Chapel Hill, NC	Industrial	East	127,600 SF	100%
Airspace	Louisville/Jefferson County, KY-IN	Industrial	East	844,426 SF	66%
1000 Corporate Road	New York-Jersey City-White Plains, NY-NJ	Industrial	East	156,097 SF	100%
1500 Rahway & Transport Commerce Center	New York-Jersey City-White Plains, NY-NJ	Industrial	East	569,047 SF	100%
1980 U.S. Highway 1	New York-Jersey City-White Plains, NY-NJ	Industrial/Office	East	319,849 SF	100%
535 Secaucus Road	New York-Jersey City-White Plains, NY-NJ	Industrial	East	68,439 SF	100%
Cardinal Commerce Center	Richmond, VA	Industrial	East	260,000 SF	100%
Hamilton Industrial	Trenton, NJ	Industrial/Ret	East	173,734 SF	100%
West Manor Way	Trenton, NJ	Industrial	East	905,000 SF	100%
Bedford Park	Chicago-Naperville-Arlington Heights, IL	Industrial	Midwest	341,245 SF	100%
Cicero	Chicago-Naperville-Arlington Heights, IL	Industrial	Midwest	100,280 SF	100%
Howard Industrial Center	Chicago-Naperville-Arlington Heights, IL	Industrial	Midwest	415,343 SF	100%
Woodridge Centre	Chicago-Naperville-Arlington Heights, IL	Industrial	Midwest	100,972 SF	100%
Golden Triangle Corporate Center	Minneapolis-St. Paul-Bloomington, MN-WI	Industrial	Midwest	130,152 SF	100%
Airport Distribution Center	Atlanta-Sandy Springs-Roswell, GA	Industrial	South	406,989 SF	100%
Button Gwinnett Drive	Atlanta-Sandy Springs-Roswell, GA	Industrial	South	212,000 SF	100%
Northpark 75	Atlanta-Sandy Springs-Roswell, GA	Industrial	South	422,780 SF	100%
Southpark Commerce Center II	Austin-Round Rock, TX	Industrial	South	372,125 SF	100%
Stone Lake 6	Austin-Round Rock, TX	Industrial	South	108,000 SF	95%
Bethel Business Center	Dallas-Plano-Irving, TX	Industrial	South	162,810 SF	100%
Grand Lakes Distribution Center	Dallas-Plano-Irving, TX	Industrial	South	636,248 SF	100%
Trinity Overlook Distribution	Dallas-Plano-Irving, TX	Industrial	South	305,000 SF	100%
Pointe West Commerce Center	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	Industrial	South	169,033 SF	100%
Port 95 Business Plaza	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	Industrial	South	99,753 SF	100%
290 Commerce Center	Houston-The Woodlands-Sugar Land, TX	Industrial	South	141,360 SF	100%
Midway IDC Building	Houston-The Woodlands-Sugar Land, TX	Industrial	South	127,257 SF	100%

As of 30 June 2024.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

### Property list (continued)

Property	MSA	Sector	NCREIF region	Size	Occupancy
NW Distribution Center	Houston-The Woodlands-Sugar Land, TX	Industrial	South	389,966 SF	100%
Portside Logistics Center	Houston-The Woodlands-Sugar Land, TX	Industrial	South	1,018,652 SF	45%
Crossroads 300	Jacksonville, FL	Industrial	South	235,200 SF	100%
Freebird Business Park	Jacksonville, FL	Industrial	South	273,895 SF	100%
Perimeter Industrial Parkway	Jacksonville, FL	Industrial	South	155,820 SF	100%
Medley Logistics Center	Miami-Miami Beach-Kendall, FL	Industrial	South	300,575 SF	100%
Crews Commerce Center	Orlando-Kissimmee-Sanford, FL	Industrial	South	768,945 SF	100%
Boynton Commerce Center	West Palm Beach-Boca Raton-Delray Beach, FL	Industrial	South	329,262 SF	99%
Fullerton Business Center	Anaheim-Santa Ana-Irvine, CA	Industrial	West	180,918 SF	100%
Denver Business Center	Denver-Aurora-Lakewood, CO	Industrial	West	152,841 SF	93%
Matter Logistics @ North 15	Las Vegas-Henderson-Paradise, NV	Industrial	West	936,654 SF	54%
Smithway Commerce Center	Los Angeles-Long Beach-Glendale, CA	Industrial	West	329,267 SF	100%
Elmhurst Business Park	Oakland-Hayward-Berkeley, CA	Industrial	West	294,852 SF	100%
West Winton Industrial Center	Oakland-Hayward-Berkeley, CA	Industrial	West	220,213 SF	100%
Carver Business Center	Phoenix-Mesa-Scottsdale, AZ	Industrial	West	272,460 SF	100%
Deer Valley Industrial	Phoenix-Mesa-Scottsdale, AZ	Industrial	West	N/A	N/A
Cactus Industrial Center	Riverside-San Bernardino-Ontario, CA	Industrial	West	684,675 SF	100%
Jurupa Business Park	Riverside-San Bernardino-Ontario, CA	Industrial	West	1,080,195 SF	100%
Austin Hills Commerce Center	Austin-Round Rock, TX	Industrial/Land	South	N/A	N/A
March Business Center	Riverside-San Bernardino-Ontario, CA	Industrial/Land	West	1,380,246 SF	100%
Pacific Summit Logistics Center	Salt Lake City, UT	Industrial	West	824,320 SF	52%
O'Brien Drive	San Francisco-Redwood City-South San Francisco, CA	Industrial	West	235,807 SF	64%
Valley Centre Corporate Park	Seattle-Bellevue-Everett, WA	Industrial	West	1,084,409 SF	99%
Fife Commerce Center	Tacoma-Lakewood, WA	Industrial	West	798,950 SF	100%
Lindenhurst	Lake County-Kenosha County, IL-WI	Land	Midwest	57.2 acres	N/A
Park Place Land	Anaheim-Santa Ana-Irvine, CA	Land	West	3.0 acres	N/A
Watermark Kendall East	Cambridge-Newton-Framingham, MA	Res/Ret	East	144 units / 9,772 SF	92%
Watermark Kendall West	Cambridge-Newton-Framingham, MA	Res/Ret	East	321 units / 25,029 SF	94%

As of 30 June 2024.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

### Property list (continued)

Property	MSA	Sector	NCREIF region	Size	Occupancy
Alta Purl	Charlotte-Concord-Gastonia, NC-SC	Residential	East	341 units	97%
Lennox SouthPark	Charlotte-Concord-Gastonia, NC-SC	Res/Ret	East	239 units / 26,166 SF	96%
Southgate Landing	Louisville/Jefferson County, KY-IN	Residential	East	256 units	97%
420 West 42nd Street	New York-Jersey City-White Plains, NY-NJ	Residential	East	264 units	95%
461 Dean Street	New York-Jersey City-White Plains, NY-NJ	Res/Ret	East	363 units / 17,745 SF	99%
Watermark LIC	New York-Jersey City-White Plains, NY-NJ	Res/Ret	East	168 units / 2,662 SF	99%
Station East	Washington-Arlington-Alexandria, DC-VA-MD-WV	Residential	East	105 units	98%
Station West	Washington-Arlington-Alexandria, DC-VA-MD-WV	Residential	East	139 units	98%
The Swift	Washington-Arlington-Alexandria, DC-VA-MD-WV	Residential	East	218 units	96%
Marq on Main	Chicago-Naperville-Arlington Heights, IL	Res/Ret	Midwest	202 units / 13,713 SF	91%
Provence	Minneapolis-St. Paul-Bloomington, MN-WI	Residential	Midwest	157 units	98%
Metro on 5th	St. Louis, MO-IL	Residential	Midwest	572 units	95%
The Beverly by Alta	Atlanta-Sandy Springs-Roswell, GA	Residential	South	N/A	N/A
District at Duluth	Atlanta-Sandy Springs-Roswell, GA	Res/Ret	South	370 units / 8,951 SF	97%
Overture Mueller	Austin-Round Rock, TX	Res/Ret	South	201 units / 2,304 SF	91%
Ravello Apartments	Dallas-Plano-Irving, TX	Residential	South	290 units	98%
Alta Washington	Houston-The Woodlands-Sugar Land, TX	Residential	South	204 units	95%
Can Plant	San Antonio-New Braunfels, TX	Residential	South	293 units	96%
EDIT at River North	Denver-Aurora-Lakewood, CO	Res/Ret	West	367 units / 9,806 SF	95%
Premier Lofts	Denver-Aurora-Lakewood, CO	Residential	West	250 units	96%
The Soleil	Denver-Aurora-Lakewood, CO	Residential	West	291 units	97%
Vita Littleton	Denver-Aurora-Lakewood, CO	Res/Ret	West	159 units / 10,243 SF	98%
Alta NV	Las Vegas-Henderson-Paradise, NV	Residential	West	347 units	95%
Channel Point Apartments	Los Angeles-Long Beach-Glendale, CA	Residential	West	212 units	97%
La Plaza	Los Angeles-Long Beach-Glendale, CA	Res/Ret	West	355 units / 43,292 SF	95%
Llewellyn	Los Angeles-Long Beach-Glendale, CA	Residential	West	318 units	93%
OnSunset	Los Angeles-Long Beach-Glendale, CA	Residential	West	N/A	N/A
The Ellison	Ogden-Clearfield, UT	Residential	West	150 units	96%

As of 30 June 2024.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

### Property list (continued)

Property	MSA	Sector	NCREIF region	Size	Occupancy
Sonoran Village	Phoenix-Mesa-Scottsdale, AZ	Residential	West	768 units	95%
Slabtown Square	Portland-Vancouver-Hillsboro, OR-WA	Res/Ret	West	200 units / 11,530 SF	10%
The Beckstead	Salt Lake City, UT	Residential	West	186 units	96%
920 Bayswater	San Francisco-Redwood City-South San Francisco, CA	Residential	West	128 units	100%
EpiCenter	Seattle-Bellevue-Everett, WA	Res/Ret	West	130 units / 32,526 SF	90%
West Campus Phase I	Austin-Round Rock, TX	Res/Ret	South	691 beds / 9,284 SF	97%
West Campus Phase II	Austin-Round Rock, TX	Res/Ret	South	959 beds / 48,276 SF	99%
The Rise at Northgate	College Station-Bryan, TX	Res/Ret	South	465 beds / 16,548 SF	100%
Station Nine	Durham-Chapel Hill, NC	Residential	East	323 units	86%
Rumi at King	Oakland-Hayward-Berkeley, CA	Res/Ret	West	205 beds / 1,278 SF	33%
Icon & Icon Gardens	Santa Maria-Santa Barbara, CA	Res/Ret	West	200 beds / 7,158 SF	100%
East Toho	Orlando-Kissimmee-Sanford, FL	Residential	South	173 sites	91%
Manatee RV Park	Tampa-St. Petersburg-Clearwater, FL	Residential	South	307 sites	100%
Payson Portfolio	Not in an MSA	Residential	West	232 sites	96%
Rincon	Tucson, AZ	Residential	West	1,134 sites	91%
Magnolia Rental Portfolio	Multiple	Residential	East/South/West	222 homes	97%
Everstead at Windrose	Houston-The Woodlands-Sugar Land, TX	Residential	South	N/A	N/A
77 Water Street	New York-Jersey City-White Plains, NY-NJ	Office	East	612,749 SF	47%
Summit at Washingtonian	Silver Spring-Frederick-Rockville, MD	Office/Land	East	193,196 SF	90%
601 New Jersey	Washington-Arlington-Alexandria, DC-VA-MD-WV	Off/Ret	East	261,777 SF	99%
Capitol Plaza	Washington-Arlington-Alexandria, DC-VA-MD-WV	Office	East	291,838 SF	98%
500 West Second Street	Austin-Round Rock, TX	Office	South	500,966 SF	100%
Park Place 3121 Michelson	Anaheim-Santa Ana-Irvine, CA	Office	West	149,842 SF	92%
Park Place Concourse & Atrium	Anaheim-Santa Ana-Irvine, CA	Office	West	1,647,017 SF	86%
Park Place Tower 3333 Michelson	Anaheim-Santa Ana-Irvine, CA	Office	West	241,665 SF	85%
555 City Center	Oakland-Hayward-Berkeley, CA	Office	West	491,733 SF	55%
The Signature Center	Oakland-Hayward-Berkeley, CA	Office	West	259,498 SF	64%
Papago Buttes	Phoenix-Mesa-Scottsdale, AZ	Office	West	520,130 SF	62%

As of 30 June 2024.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

### Property list (continued)

Property	MSA	Sector	NCREIF region	Size	Occupancy
Portales Corporate Center	Phoenix-Mesa-Scottsdale, AZ	Office	West	455,667 SF	93%
Hazard Center	San Diego-Carlsbad, CA	Off/Ret/Land	West	405,275 SF	80%
225 West Santa Clara	San Jose-Sunnyvale-Santa Clara, CA	Office	West	349,842 SF	80%
Nine Two Nine	Seattle-Bellevue-Everett, WA	Office	West	462,000 SF	100%
Prosperity Drive	Silver Spring-Frederick-Rockville, MD	Other	East	228,144 SF	27%
Meridian Parkway	Chicago-Naperville-Arlington Heights, IL	Other	Midwest	73,297 SF	61%
North Airworld Drive	Kansas City, MO-KS	Other	Midwest	259,111 SF	0%
Coit Road	Dallas-Plano-Irving, TX	Other	South	454,421 SF	100%
Sunrise Data Center	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	Other	South	33,512 SF	100%
West Springfield Shopping Center	Washington-Arlington-Alexandria, DC-VA-MD-WV	Retail	East	83,700 SF	81%
Mayfaire Community Center	Wilmington, NC	Retail	East	211,010 SF	100%
The Marketplace at Vernon Hills	Lake County-Kenosha County, IL-WI	Retail	Midwest	191,418 SF	47%
Fischer Market Place	Minneapolis-St. Paul-Bloomington, MN-WI	Retail	Midwest	238,309 SF	97%
Fischer Market Place Outlot	Minneapolis-St. Paul-Bloomington, MN-WI	Retail	Midwest	20,388 SF	100%
Bell Tower	Cape Coral-Fort Myers, FL	Retail	South	348,204 SF	87%
Southport Shopping Center	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	Retail	South	146,953 SF	79%
Meadows Marketplace	Houston-The Woodlands-Sugar Land, TX	Retail	South	251,944 SF	99%
530 Lincoln Road	Miami-Miami Beach-Kendall, FL	Retail	South	14,300 SF	0%
South Dade	Miami-Miami Beach-Kendall, FL	Retail	South	214,638 SF	100%
Pinewood Square Shopping Center	West Palm Beach-Boca Raton-Delray Beach, FL	Retail	South	180,459 SF	99%
Park Place Health Club	Anaheim-Santa Ana-Irvine, CA	Retail	West	46,762 SF	100%
Park Place Retail	Anaheim-Santa Ana-Irvine, CA	Retail	West	123,187 SF	94%
Cherry Hills Marketplace	Denver-Aurora-Lakewood, CO	Retail	West	203,477 SF	95%
The Orchards	Denver-Aurora-Lakewood, CO	Retail	West	159,272 SF	100%

As of 30 June 2024.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

### Property list (continued)

Property	MSA	Sector	NCREIF region	Size	Occupancy
Burbank Empire Center	Los Angeles-Long Beach-Glendale, CA	Retail	West	614,812 SF	100%
Plaza Paseo	San Diego-Carlsbad, CA	Retail	West	147,938 SF	99%
Green Firs Towne Center	Tacoma-Lakewood, WA	Retail	West	148,598 SF	100%
Windsor Mill	Baltimore-Columbia-Towson, MD	Self Storage	East	103,482 SF	88%
Mount Vernon	New York-Jersey City-White Plains, NY-NJ	Self Storage	East	133,573 SF	56%
Marietta	Atlanta-Sandy Springs-Roswell, GA	Self Storage	South	75,486 SF	83%
Poinciana	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	Self Storage	South	74,160 SF	84%
North Miami	Miami-Miami Beach-Kendall, FL	Self Storage	South	79,690 SF	87%

As of 30 June 2024.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

# Joint venture investments

Property name	Property sector	Joint venture partner	Joint venture ownership
Rumi at King	Residential/Retail	4Terra	90.0%
Icon & Icon Gardens	Residential/Retail	Article Student Living	87.5%
Metro on 5th	Residential	CAPREIT	75.0%
Station West	Residential	CAPREIT	90.0%
Station East	Residential	CAPREIT	90.0%
Southgate Landing	Residential	CAPREIT	85.0%
Provence	Residential	CAPREIT	85.0%
La Plaza	Residential/Retail	Cesar Chavez Foundation	90.6%
OnSunset	Residential	Cypress Equity Investments	90.0%
Meadows Marketplace	Retail	Fidelis Realty Partners	95.0%
920 Bayswater	Residential	Fore Property Company	90.0%
The Rise at Northgate	Residential/Retail	GMH Capital Partners	90.0%
Slabtown Square	Residential/Retail	Guardian Real Estate Services	92.5%
Everstead at Windrose	Residential	Landmark	95.0%
Park Place <sup>1</sup>	Office/Retail/Land	LBA Realty / Allianz	45.0%
Coit Road	Other	Lincoln Property Company	97.0%
North Airworld Drive	Other	Lincoln Property Company	97.0%
Meridian Parkway	Other	Lincoln Property Company	95.0%
Prosperity Drive	Other	Lincoln Property Company	95.0%
Magnolia Rental Portfolio	Residential	Magnolia Capital	97.0%
Marq on Main	Residential/Retail	Marquette Companies	90.0%
Matter Logistics @ North 15	Industrial	Matter Real Estate Group	95.0%
West Springfield Shopping Center	Retail	McCaffery Interests	97.2%
Fife Commerce Center <sup>1</sup>	Industrial	Northwest Building	70.0%

As of 30 June 2024. <sup>1</sup>Non-consolidated joint venture.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

### Joint venture investments (continued)

Property name	Property sector	Joint venture partner	Joint venture ownership
Sonoran Village	Residential	Optima	90.0%
Austin Hills Commerce Center	Land	Sansone Group	95.0%
Can Plant	Residential	Silver Ventures	90.0%
Windsor Mill	Self Storage	Snapbox	90.0%
Poinciana	Self Storage	Snapbox	90.0%
Mount Vernon	Self Storage	Snapbox	90.0%
Marietta	Self Storage	Snapbox	90.0%
North Miami	Self Storage	Snapbox	90.0%
Portside Logistics Center	Industrial	Stream Realty Partners	95.0%
East Toho	Residential	Summit Real Estate Holdings	65.0%
Rincon	Residential	Summit Real Estate Holdings	75.0%
Payson Portfolio	Residential	Summit Real Estate Holdings	98.0%
Manatee RV Park	Residential	Summit Real Estate Holdings	85.0%
O'Brien Drive	Industrial	Tarlton	95.0%
Deer Valley Industrial	Industrial	The Opus Group	90.0%
Watermark Kendall West	Residential/Retail	Twining Properties	94.2% / 80.0%
Watermark LIC	Residential/Retail	Twining Properties / Bedrock	75.0%
290 Commerce Center	Industrial	Vigavi Realty	90.0%
77 Water Street <sup>1</sup>	Office	William Kaufman Organization	50.0%
The Beverly by Alta	Residential	Wood Partners	95.0%
Vita Littleton	Residential/Retail	Zocalo Community Development	84.9%
EDIT at River North	Residential/Retail	Zocalo Community Development	78.1%
		<b>% of GAV</b>	<b>29.7%</b>

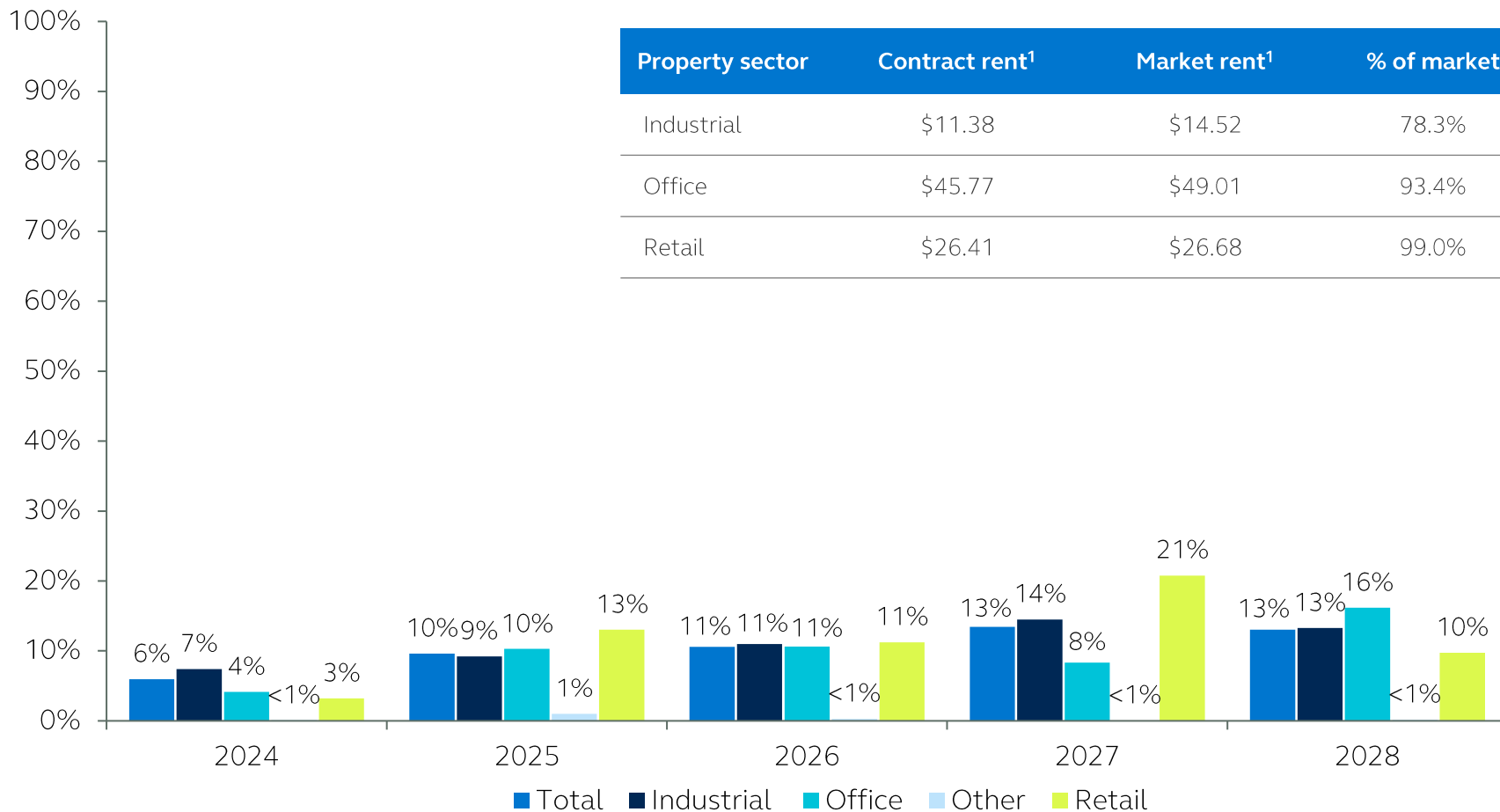
As of 30 June 2024. <sup>1</sup>Non-consolidated joint venture.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

# Lease rollover



Property sector	Contract rent <sup>1</sup>	Market rent <sup>1</sup>	% of market
Industrial	\$11.38	\$14.52	78.3%
Office	\$45.77	\$49.01	93.4%
Retail	\$26.41	\$26.68	99.0%

As of 30 June 2024. Lease rollover is based on expected percentage of square footage expiring within each property sector within the stated calendar year.

<sup>1</sup>Per square foot per year.

## PRINCIPAL U.S. PROPERTY ACCOUNT

# Leverage summary

Fixed rate loans	Lender	LTV	Maturity date	Note rate
The Soleil	Freddie Mac	52.8%	10/01/2024	3.81%
Station West	Hingham Institution for Savings	53.1%	11/15/2024	3.15%
Station East	Hingham Institution for Savings	49.5%	11/15/2024	3.15%
Icon & Icon Gardens	Fannie Mae	41.0%	04/01/2025	3.38%
Park Place <sup>1</sup>	Prudential/MetLife	82.2%	04/05/2025	3.65%
Metro on 5 <sup>th</sup>	Fannie Mae	39.6%	05/01/2025	4.15%
Manatee RV Park	Valley National Bank	25.6%	09/10/2026	3.70%
The Rise at Northgate	Mass Mutual	49.9%	12/01/2026	3.64%
461 Dean Street	Mass Mutual	47.9%	12/01/2026	3.64%
Marq on Main	Allstate	61.1%	01/01/2027	3.27%
Meadows Marketplace	Life Insurance Company of the Southwest	35.3%	10/10/2027	3.00%
Mayfaire Community Center	Met Life	53.9%	01/01/2028	3.96%
601 New Jersey	Northwestern Mutual	60.9%	01/10/2028	3.57%
Sonoran Village	Northwestern Mutual	36.1%	02/10/2028	3.50%
Burbank Empire Center	Mass Mutual	50.4%	05/01/2029	3.96%
Crews Commerce Center	Prudential	43.9%	08/05/2029	4.95%
Station Nine	Northwestern Mutual	61.7%	08/10/2029	5.38%
Valley Centre Corporate Park	Prudential	40.6%	10/05/2029	5.82%
Premier Lofts	Fannie Mae	45.0%	01/01/2030	2.53%
Vita Littleton	State Street Bank and Trust Company	66.6%	07/01/2030	3.62%
West Manor Way	Northwestern Mutual	44.0%	10/10/2030	5.96%
1500 Rahway & Transport Commerce Center	Lincoln National Life Insurance Company	38.9%	12/10/2030	5.80%
Watermark Kendall West	Prudential	48.8%	01/05/2032	2.78%
EDIT at River North	Fannie Mae	55.6%	06/01/2033	5.09%
<b>Total property level fixed rate debt</b>				<b>4.13%</b>

As of 30 June 2024. <sup>1</sup>The property is a non-consolidated joint venture and as such, leverage metrics are based on ownership share of asset value and loan amounts.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

# Leverage summary (continued)

Floating rate loans	Lender	LTV	Maturity date	Note rate
Southgate Landing	Fifth Third Bank	64.8%	12/16/2024	SOFR + 150
Provence	Fifth Third Bank	64.7%	12/16/2024	SOFR + 150
Matter Logistics @ North 15	Citizens Bank	43.6%	12/28/2024	BSBY+ 225
Deer Valley Industrial	UMB Bank NA	52.9%	05/05/2025	SOFR + 250
Rumi at King	Bank OZK	56.6%	06/16/2025	SOFR + 300
Portside Logistics Center	Associated Bank National Association/Cadence Bank NA	52.1%	08/26/2025	SOFR + 275
Slabtown Square	Comerica Bank/Flagstar Bank FSB	60.5%	03/03/2026	SOFR + 235
Everstead at Windrose	Regions Bank	50.1%	03/27/2026	SOFR + 250
OnSunset	Citizens Bank	28.1%	06/24/2026	SOFR + 245
77 Water Street <sup>1</sup>	ACORE Capital	77.1%	08/10/2026	SOFR + 411
The Beverly by Alta	BMO Harris Bank	45.9%	02/08/2027	SOFR + 220
420 West 42nd Street	NY State Housing Finance Agency	45.4%	11/01/2032	Bond Rate + 116
<b>Total property level floating rate debt</b>				<b>7.52%</b>

As of 30 June 2024. <sup>1</sup>The property is a non-consolidated joint venture and as such, leverage metrics are based on ownership share of asset value and loan amounts.

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## PRINCIPAL U.S. PROPERTY ACCOUNT

# Leverage summary (continued)

Lines of Credit	Lender	Maturity date	Note rate
Line of credit – \$600M	Wells Fargo/JP Morgan Syndicate	07/13/2026	SOFR <sup>1</sup> + 100
<b>Total line of credit</b>			
Private Placement	Lender	Maturity date	Note rate
Private Placement 8 Year	Met Life	07/02/2027	3.63%
Private Placement 10 Year	Prudential/Met Life/NY Life	04/01/2031	2.75%
Private Placement 12 Year	Prudential/Met Life/NY Life	07/02/2031	3.82%
Private Placement 10 Year	JP Morgan Syndicate	04/05/2032	2.86%
Private Placement 12 Year	Met Life	04/01/2033	2.89%
Private Placement 12 Year	JP Morgan Syndicate	04/05/2034	2.99%
Private Placement 15 Year	JP Morgan Syndicate	04/05/2037	3.14%
<b>Total private placement debt</b>			<b>3.04%</b>
<b>Total fixed, floating, line of credit and private placement</b>		<b>5.24 years</b>	<b>4.20%</b>

As of 30 June 2024. <sup>1</sup>Adjusted SOFR plus a 10 basis point credit adjustment from LIBOR.

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# Important Information

Net Total Portfolio Return	2Q24	1 Year	3 Year	5 Year	10 Year	Since inception <sup>1</sup>
Actual Annual Investment Management Fee	-0.90%	-8.74%	1.43%	2.81%	6.26%	6.42%
73 basis points	-0.87%	-8.66%	1.55%	2.94%	6.42%	6.50%
75 basis points	-0.88%	-8.67%	1.52%	2.90%	6.39%	6.50%
80 basis points	-0.89%	-8.72%	1.47%	2.87%	6.37%	6.49%
95 basis points	-0.93%	-8.86%	1.32%	2.72%	6.21%	6.44%
100 basis points	-0.94%	-8.90%	1.27%	2.67%	6.16%	6.42%
110 basis points	-0.96%	-8.99%	1.17%	2.56%	6.05%	6.36%

Net total portfolio returns include leverage and are shown after a deduction of expenses including management fees which range from 0.73% to 1.10% annually. Actual investment management fees incurred by clients may vary and are subject to change. For comparison, the net total portfolio return at the highest investment management fee level of 110 basis points is shown above. <sup>1</sup>Inception Date: 30 January 1982.

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# Professional credentials

## **DARREN KLEIS – MANAGING DIRECTOR, PORTFOLIO MANAGEMENT**

Darren is a managing director, portfolio management at Principal Real Estate. Darren joined the portfolio management team of the Principal U.S. Property Aggregate in 2007. He is responsible for portfolio strategy, investment activity, performance, client and consultant communication, and asset management oversight. Prior to his current role, Darren was an investment director of asset management for 12 years for Principal Real Estate. Darren joined Principal Financial Group in 1992 as an investment accountant. He received an MBA from Drake University and a bachelor's degree in accounting from Northwestern College.

## **KYLE ELFERS – MANAGING DIRECTOR, PORTFOLIO MANAGEMENT**

Kyle is a managing director, portfolio management at Principal Real Estate, the dedicated real estate group within Principal Asset Management. Kyle joined the portfolio management team of the Principal U.S. Property Aggregate in 2023. He is responsible for portfolio strategy, investment activity, performance, and client and consultant communication. Prior to his current role, Kyle spent twelve years on the acquisitions/dispositions team as managing director. Before joining Principal in 2011, Kyle served as senior vice president at The John Buck Company in Chicago and manager at the public REIT, Trizec Properties. He started his career in real estate as an analyst with Cassidy & Pinkard in Washington, D.C. Kyle received a bachelor's degree in economics from Duke University.

## **BRIDGET LECHTENBERG – PORTFOLIO MANAGER**

Bridget is a portfolio manager for Principal Real Estate. She is a member of the portfolio management team for the Principal U.S. Property Aggregate, the firm's core, open-end strategy. Bridget is responsible for client and consultant communication and provides oversight for portfolio reporting, analytics and attribution. She joined the firm in 2006 and spent six years in the asset management/development and acquisition/dispositions area before joining the Principal U.S. Property Aggregate team in 2013. She received her bachelor's degree in finance and real estate from the University of Northern Iowa. Bridget is a member of the NCREIF Fund Index ODCE Investment Policy Committee.

## **ROSS JOHNSON – SENIOR PORTFOLIO ANALYST**

Ross is a senior portfolio analyst for Principal Real Estate, the dedicated real estate unit of Principal Asset Management. He is a member of the portfolio management team for the Principal U.S. Property Aggregate, the firm's core open-end strategy. Ross is responsible for portfolio statistics and analysis, annual business plans and quarterly reporting. Ross joined the firm in 2011 and spent time on the New Business Development, CMBS Securitization, and Private Debt origination teams before joining the Principal U.S. Property Aggregate team in 2018. He received a bachelor's degree in accounting and finance from University of Northern Iowa.

## **ELLEN BENNETT – PORTFOLIO ANALYST**

Ellen is a portfolio analyst for Principal Real Estate, the dedicated real estate unit of Principal Asset Management. She is a member of the portfolio management team for the Principal U.S. Property Aggregate, the firm's core open-end strategy. Ellen is responsible for portfolio statistics and analytics, annual business plans and quarterly reporting. Ellen first joined the firm as an acquisition intern and has prior experience as an investment associate at American Equity before joining the Principal U.S. Property Aggregate team in 2021. She received a bachelor's degree in accounting and finance from the University of St. Thomas.

# Professional credentials

## **TODD EVERETT – EXECUTIVE DIRECTOR, GLOBAL HEAD OF PRIVATE MARKETS**

Todd Everett is an Executive Director and Global Head of Private Markets for Principal Asset Management. He is responsible for leadership of all global private commercial real estate operations and staff, as well as capabilities in alternative corporate credit (direct lending). In addition, he is a board member for Principal Real Estate Europe and chair of the management committees for most U.S. real estate operations. Todd is also the leader of the Real Estate and Private Markets Strategic Working Group and chairman for many of the organization's investment committees. He joined the organization in 1985 and has served in a wide array of investment production, portfolio management and leadership positions. Todd is a graduate of the University of Nebraska with a degree in Finance and is a past chair of the CRE Finance Council's Portfolio Lenders Forum, member of North American Real Estate Investment Managers Association (NAREIM) and the Real Estate Roundtable.

## **JOHN T. BERG – SENIOR MANAGING DIRECTOR, GLOBAL HEAD OF PRIVATE REAL ESTATE**

John Berg is a Senior Managing Director and Global Head of Private Real Estate for Principal Asset Management. He is responsible for leadership of private real estate debt and equity activities in the United States and Europe. John joined the organization in 1994 and has been active in portfolio management, asset management, new business development and leadership positions in real estate. John received an MBA from the University of Iowa and a bachelor's degree in economics and psychology from Georgetown University. John serves on Principal Real Estate's Investment Committee. In addition, he is a board member for Principal Real Estate Europe.

## **ERIN KERR – SENIOR MANAGING DIRECTOR, REAL ESTATE**

Erin Kerr is a senior managing director at Principal Real Estate, the dedicated real estate unit of Principal Asset Management. As head of marketing, she works with the real estate portfolio management and sales teams to raise capital for the firm's private and public real estate strategies, globally. Prior to joining, Erin worked at Westport Capital Partners as a Vice President of Business Development and also Tishman Speyer in Equity Capital Markets, raising capital globally for both funds and direct investment. She also previously sourced and underwrote real estate loans for both CMBS execution and balance sheet retention for Eurohypo, AG and Citi Private Bank. She received a bachelor's degree in economics from the University of Rochester, School of Arts and Sciences.

## **GREG PITTENGER - MANAGING DIRECTOR, INSTITUTIONAL SALES & RELATIONSHIP MANAGEMENT**

Greg is a managing director for Principal Global Investors' (PGI) US Institutional business. Greg has been with the firm since 2019 and is focused on providing investment management solutions to institutional investors with the experience and resources of PGI's multi-boutique model. Prior to this role, Greg served as a Client Advisor with J.P. Morgan Asset Management for over 17 years. Greg received a bachelor's degree in finance from the University of Illinois and holds Series 3, 7, 63 and 65 licenses.

# Endnotes

# Endnotes

## **Performance disclosures:**

Performance shown is time-weighted and returns for periods over one year are annualized. Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so that value, when redeemed, may be worth more or less than original costs. Currently performance may be lower or higher than the performance data shown. This investment is subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general local economic conditions.

## **Principal U.S. Property Account background:**

The Principal U.S. Property Separate Account is an open-end, commingled real estate account available to U.S. retirement plans meeting the requirements for qualification under Section 401(a) of the Internal Revenue Code of 1986 ("Code"), as amended, and U.S. governmental plans meeting the requirements of Section 457 of the Code, as amended, since 1982. The Account is an insurance company separate account sponsored by Principal Life Insurance Company and managed by Principal Real Estate.

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. Insurance products and plan administrative services provided through Principal Life Insurance Company, a member of the Principal Financial Group, Des Moines, IA 50392. See the group annuity contract for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as permitted by the group annuity contracts providing access to the Separate Accounts or as required by applicable law. Such deferment will be based on factors that may include situations such as: unstable or disorderly financial markets; investment conditions which do not allow for orderly investment transactions; or investment, liquidity, and other risks inherent in real estate (such as those associated with general and local economic conditions). If you elect to allocate funds to a Separate Account, you may not be able to immediately withdraw them. The Account is a diversified real estate equity portfolio consisting primarily of high quality, well-leased real estate properties in the multifamily, industrial, office, retail and hotel sectors.

Real Estate investment options are subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. Property values can decline due to environmental and other reasons. In addition, fluctuation in interest rates can negatively impact the performance of real estate investment options.

**NFI-ODCE** is a capitalization-weighted, gross of fee, time-weighted return index with an inception date of 31 December 1977. Supplemental data is also provided, such as equal-weight and net of fee returns, for informational purposes and additional analysis. Open-end Funds are generally defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. The NFI-ODCE, like the NCREIF Property Index and other stock and bond indices, is a capitalization-weighted index based on each fund's Net Invested Capital, which is defined as Beginning Market Value Net Assets (BMV), adjusted for Weighted Cash Flows (WCF) during the period. To the extent WCF are not available; which may be the case for older liquidated funds, BMV is used. Indices are typically capitalization-weighted, as they better represent the universe and the performance of the overall marketplace. Total Return of any capitalization-weighted Index is, therefore, more influenced by the larger funds (based on Net Invested Capital) included in the Index. Additional information, such as the equally-weighted NFI-ODCE, is also presented to show what the results would be if all funds were treated equally, regardless of size. This presentation is typically used for statistical purposes and peer-to-peer comparisons.

## **Notes to sustainable investing:**

The information provided is based on data input by individual property teams as of December 2020 into ENERGY STAR Portfolio Manager, with select review and validation. Baseline is generally viewed as the 12 months preceding December 2008, the year before Principal Real Estate joined ENERGY STAR. Many properties have individual baselines set according to unique circumstances. Retail and multifamily baselines are generally set for the 12 months preceding December 2012, when they were brought into the PRPI initiative. Certain information related to specific properties may have not been obtained in preparing such calculations, and no representations are made as to the completeness of the data. The office and about half of the residential portfolios include whole-building energy consumption and costs, while retail and about half of the residential portfolios primarily include common area consumption and costs. Office property performance is normalized by ENERGY STAR Portfolio Manager for weather and operating characteristics, residential performance is normalized for weather alone, and retail performance is not normalized. Performance results may undergo some moderate variability as property teams continue to update utility, space use, and occupancy data. The investments described in this section are not comprehensive and do not include all investments made by Principal or all investments within Principal Real Estate Investor's "responsible property investing" initiatives. In particular, this Portfolio excludes industrial and land investments and excludes certain office, retail and multifamily investments.

# Important Information

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