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INSIDE REAL ESTATE OUTLOOK

Resilient Recovery

| Mid-year update: June 2026

Amid geopolitical volatility and shifting macro crosscurrents, the CRE recovery is intact - but uneven, with wider dispersion than headlines reveal. This creates a market that is ripe for alpha discovery through careful property, market, and fund selection.

Source: Principal Real Estate, June 2026

An even more complicated world. We entered 2026 with a constructive outlook, grounded in the resilience of the global economy despite persistent headwinds and uncertainty, a commercial real estate (CRE) cycle that had entered recovery by nearly every traditional measure, and improving investor sentiment. The geopolitical backdrop in the first half of 2026 has been more volatile than anticipated, to say the least.

Resilient economy, but margin for error tightens. Higher energy prices are beginning to feed through to inflation, especially in Europe. However, economic growth remains robust as consumer spending continues to hold up despite higher costs, while the capex cycle – supported by AI-related investment – surprises to the upside. This combination has pushed global yields higher, and markets have materially revised their outlook for central banks, shifting from expected rate cuts in 2026 to renewed tightening across several developed markets. The economy is not in recession, but the margin for error has narrowed.

We believe the CRE recovery remains intact. Private valuations continue to rise, debt capital is readily available, and transaction volumes accelerated in 1Q26. Sentiment indicators suggest investors are more deliberate in their decision-making but haven't lost conviction. U.S. listed REITs, a leading indicator, transitioned from recovery into expansion, while distress, a lagging indicator, show early signs of peaking.

There's more to the story than the headline suggests. While aggregate returns point to a U-shaped recovery given a relatively muted trajectory, we believe it is more accurately characterized as K-shaped given significant dispersion across property types, markets, and even fund vehicles. NOI growth is the key driver of total returns, fueling both income and capital appreciation in an environment where meaningful cap rate compression may not materialize. Property type selection still matters, but the more compelling alpha opportunity lies in identifying the right global markets offering the highest annual rent growth.

CRE is not a monolithic asset class. Portfolios are likely to become increasingly global, with a role for all four quadrants: public and private, equity and debt. Each serves a distinct purpose and, combined thoughtfully, can optimize outcomes. Private CRE debt stability remains underappreciated. CMBS SASB offers liquidity, single-loan transparency and capital structure optionality. Listed REITs, when paired with private equity, reduce portfolio volatility. And private equity offers exposure across the full risk spectrum - from core through opportunistic - while targeted strategies enable alpha capture in high-conviction themes like data centers and living.

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Macroeconomic overview

01

Global economic resilience despite increased headwinds

Outlook Investors continuing to position for sustained recovery

	Market	GDP growth, %		
		2025	2026-F	2027-F
N. America  <p>The U.S. economy continues to face growing headwinds in 2026 from policy shifts, elevated uncertainty, higher rates, and persistent inflation pressure. Still, growth remains near potential, consumers have shown resilience, and key recession indicators are not flashing red. Labor market momentum is uneven, with restrictive immigration policy limiting worker supply and softer hiring pointing to slower growth ahead. Overall, the economy is not in recession, but the margin for error has narrowed and risks remain uncomfortably high.</p>		2.1	2.1	2.0
		0.6	1.1	1.8
Europe  <p>The Eurozone and UK economies are expected to grow more slowly in 2026 than previously anticipated, as the conflict in the Middle East weighs on prices and monetary policy. Over the past three months, inflation has risen well above central banks' targets, exerting renewed pressure on household disposable income, while also strengthening the case for higher interest rates in the second half of the year. Evidence of weakening momentum is already evident in the private sector, where business activity has declined for three consecutive months, reaching its lowest level since November 2024. Against this backdrop, Spain, Poland, Norway, and Portugal are expected to outperform, while Germany, the UK, France, and Italy are projected to lag.</p>		1.4	0.8	1.3
		1.4	0.8	1.1
Asia Pacific  <p>Asia-Pacific economies are likely to maintain their relative advantage but will face intensifying geopolitical headwinds over the balance of 2026. AI-related investment and semiconductor demand will support North Asian technology exporters, while India and parts of Southeast Asia benefit from domestic demand and supply-chain diversification. Export growth should remain supportive but normalize after tariff-related front-loading. Higher energy prices, inflation pressure, and the region's reliance on Persian Gulf petroleum leave the outlook more exposed to geopolitical shocks.</p>		1.1	0.6	0.8
		2.0	2.0	1.8
		5.0	4.6	4.4

Confronting a new macro backdrop

Geopolitics muddied the waters

The U.S./Israeli war with Iran has muddied the global economic outlook as of mid year. Global resilience remains on evident, but cracks are beginning to show as commodity supply chains have been altered.

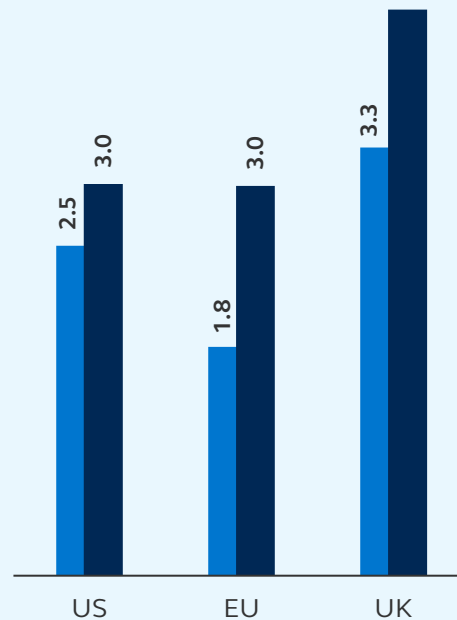
Inflation has reaccelerated across most regions, and GDP expectations have shifted toward a more cautious target. Markets are now pricing-in renewed price pressure risk and more hawkish central bank policy.

The ultimate economic impact of the war will depend on the duration, intensity, and scope of geopolitical disruptions, particularly as they relate to energy markets, global trade, and interest rates.

Inflation expectations by 2027

Percentage, based on swaps^{1*}, 2 year forward

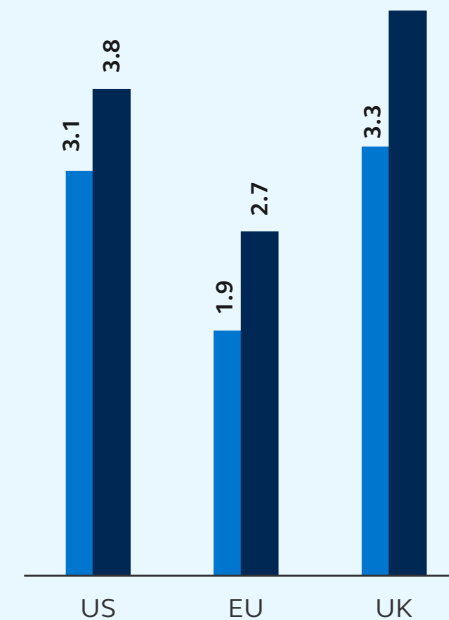
■ Pre-conflict (3rd Feb 26)
■ Last (15th May 26)



Base rate expectations by 2026

Percentage, market based^{1*}, by end of 2026

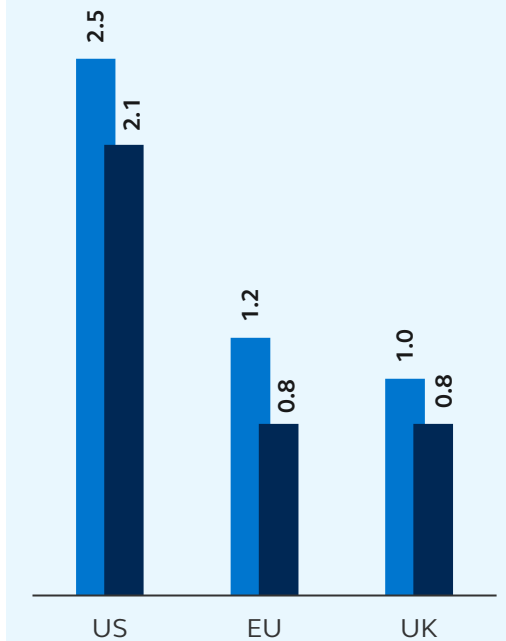
■ Pre-conflict (3rd Feb 26)
■ Last (15th May 26)



Real GDP growth consensus for 2026

Percentage, 2026

■ Pre-conflict (3rd Feb 26)
■ Last (15th May 26)



Global inflation has reaccelerated due to supply chain disruptions

Elevated price pressures are expected to continue

Inflation has reaccelerated across most developed regions due to the conflict in the Middle East. Most major markets will see higher-than-trend pricing pressured in 2026 and into early 2027. The significance and length of elevated inflation will depend on how quickly the conflict is resolved.

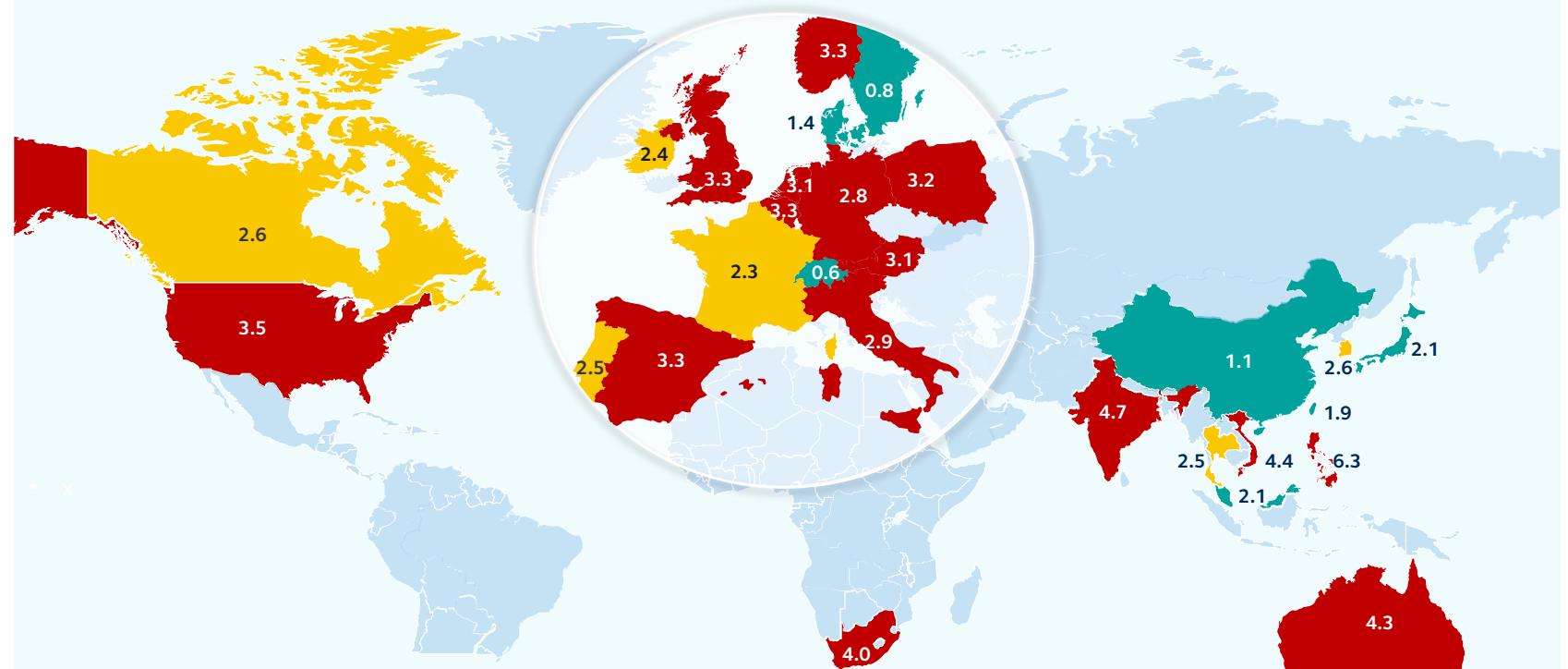
Regional differences in inflation are apparent, as net importers of petroleum-based commodities will face a more difficult path.

It is now more likely that global central banks will adopt a more hawkish stance on inflation and data-driven policy approaches in the coming months.

Inflation forecast for 2026

Percentage change, y-o-y

■ Below 2.2% ■ Between 2.2% & 2.7% ■ Above 2.7%

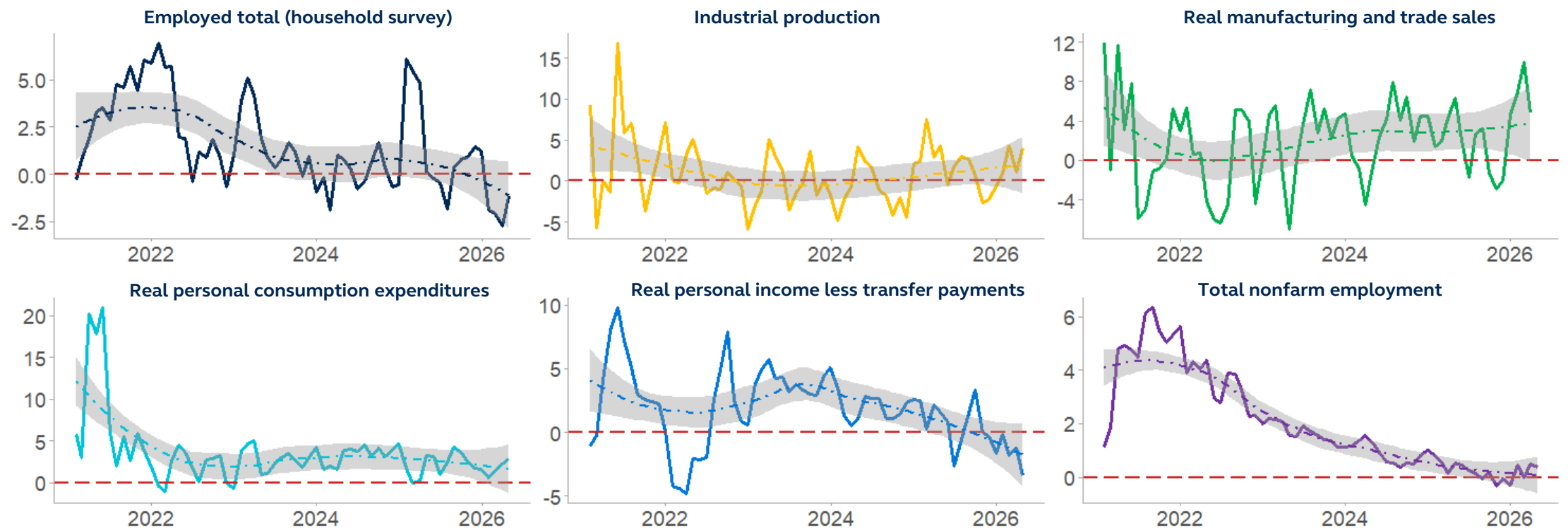


The U.S. economy is not in recession, but margin for error has narrowed

Key signposts could be stronger, but are not signaling a meaningful correction

NBER recession indicators

Annualized % change of 3-month moving average



State of CRE cycle

02

The global recovery has sustained momentum

There's more to the story than the headline suggests

Global CRE valuations have undergone a meaningful reset over the past several years, even as other risk assets have not. Corrections of this magnitude have only occurred twice before — in the early 1990s following the S&L crisis and again during the GFC. In our view, this repricing has helped to materially de-risk the asset class.

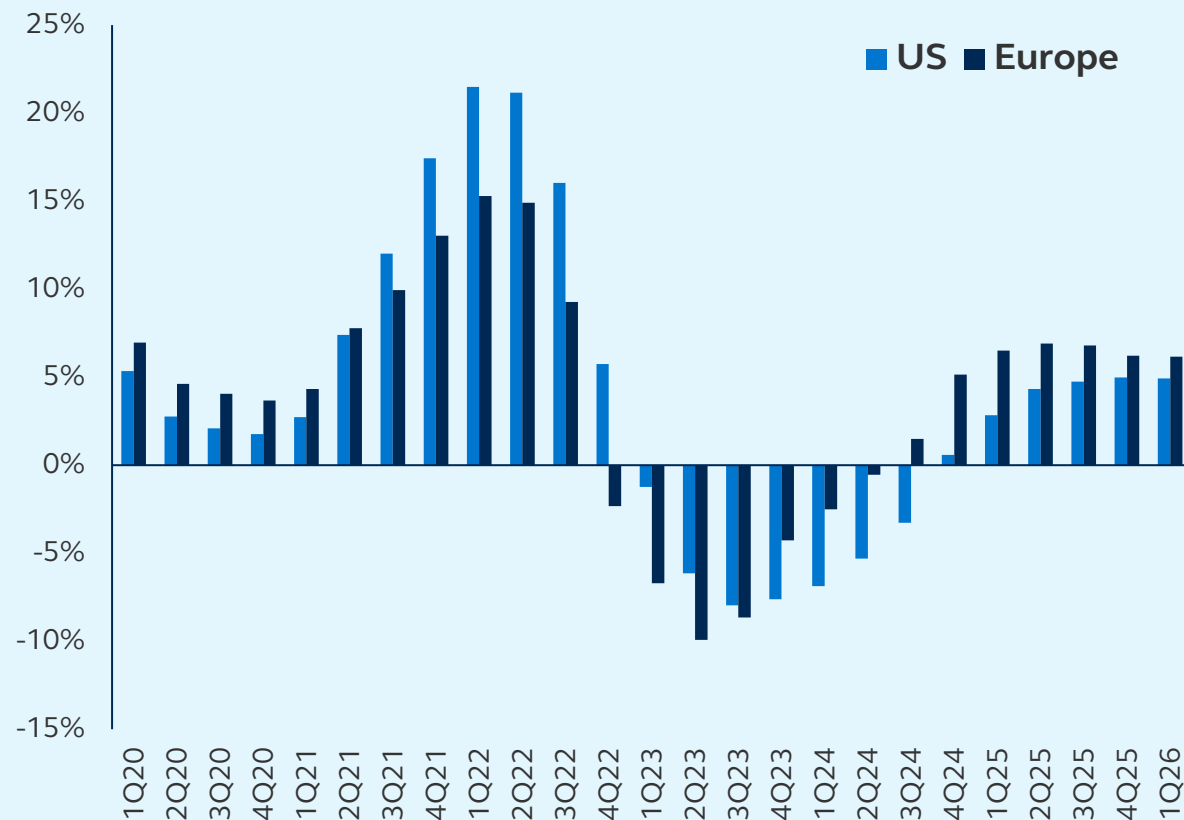
That said, valuations are now recovering. In Europe, unlevered total returns stood at +6.2% year-over-year in 1Q26, supported by capital returns of +1.9%. Total returns have now increased for nine consecutive quarters across the region.

By comparison, unlevered total returns in the U.S. stood at approximately +5.0% year-over-year as of 1Q26 - but income is doing all the heavy lifting, with capital returns of just +0.2%. Total returns have risen for seven consecutive quarters in the U.S.

History serves as a useful guide: once total returns turn positive, they tend to stay positive.

Unlevered total returns, YoY

Local currency



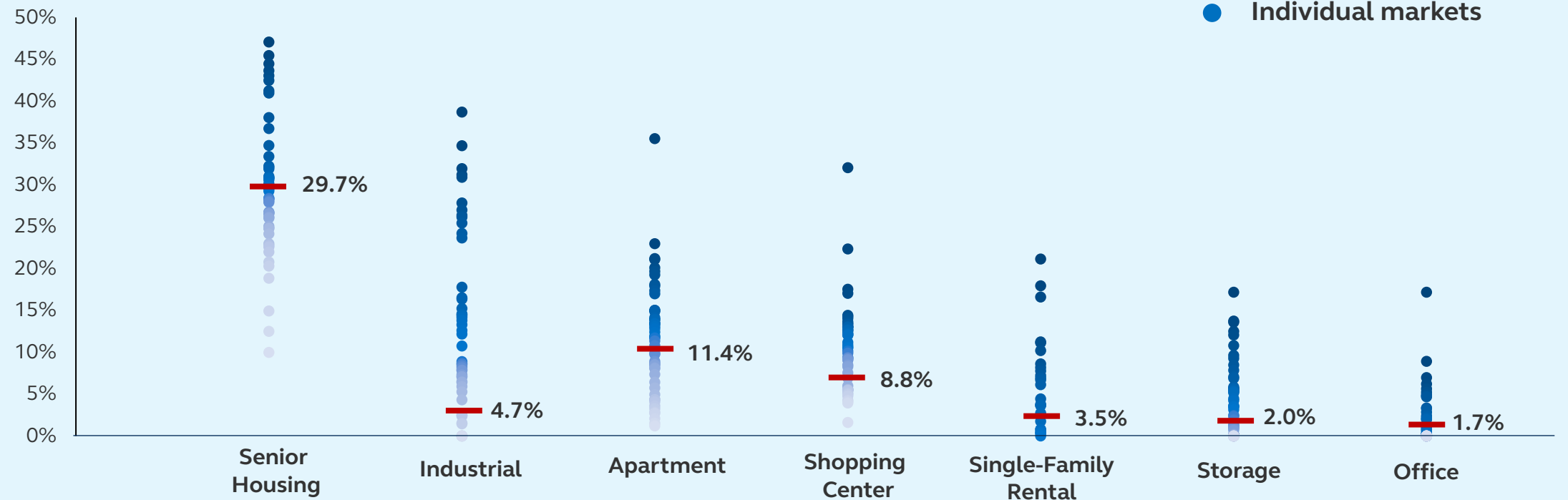
A K-shaped recovery emerges

There's significant dispersion in returns across property types and markets

The recovery is taking shape unevenly across property types and markets. Some sectors have rebounded quickly from their troughs, while others are seeing more modest gains. Even within sectors, outcomes vary widely across markets. The recovery is not broad-based, and performance is increasingly defined by where capital is deployed.

Trough to current recovery in U.S. prices across property types

Individual top 50 markets

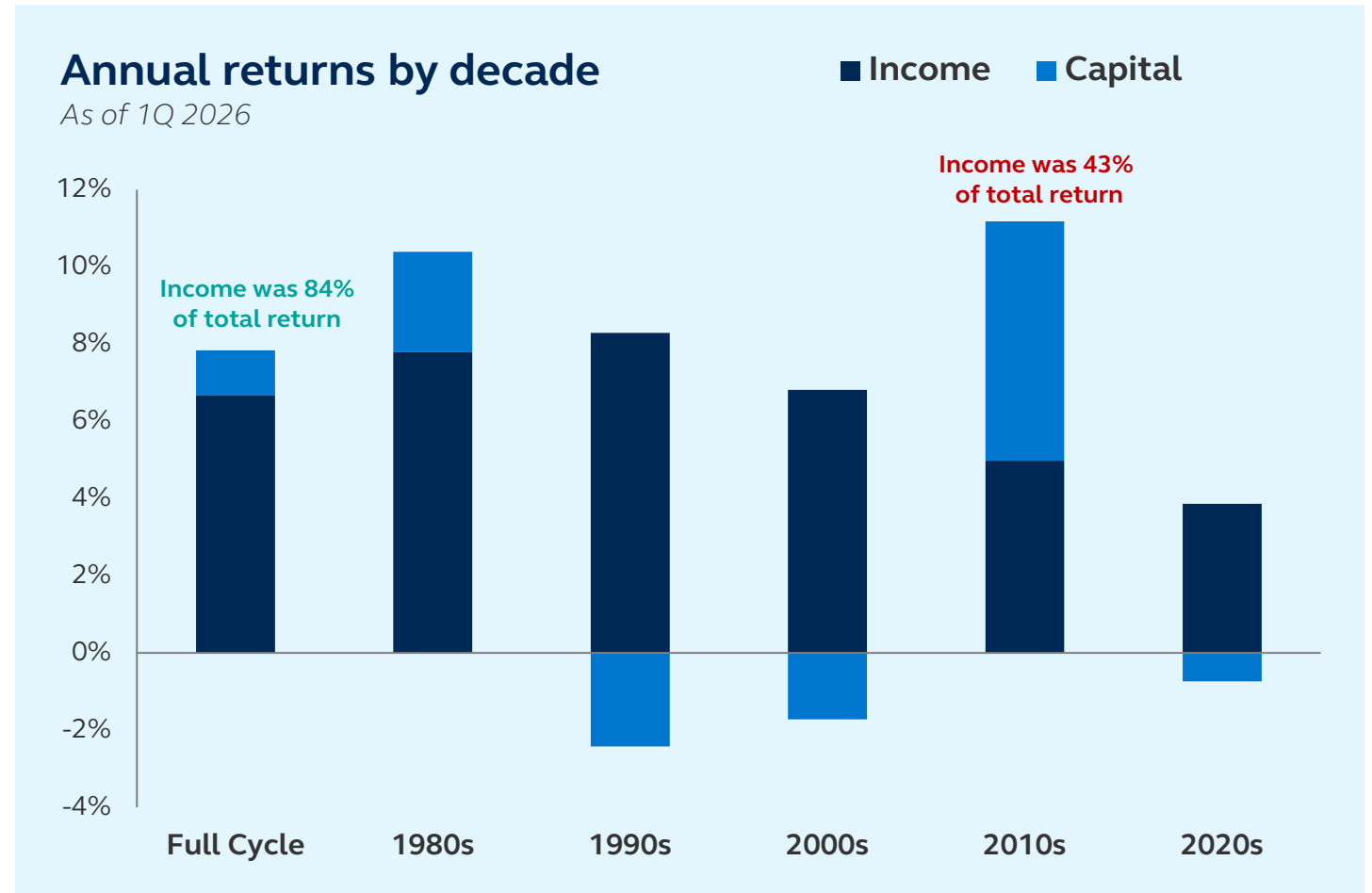


NOI growth is the primary driver of total returns

It drives income returns and capital returns when cap rate compression is limited

The market has lost sight of the role income plays in driving total returns. Over the prior cycle, income accounted for just 43% of total returns, as historically low interest rates fueled cap rate compression and outsized appreciation gains.

Income has historically represented 84% of total returns. We believe we are returning to an environment where fundamentals matter most, and a back-to-basics focus on income will once again be the primary driver of performance.



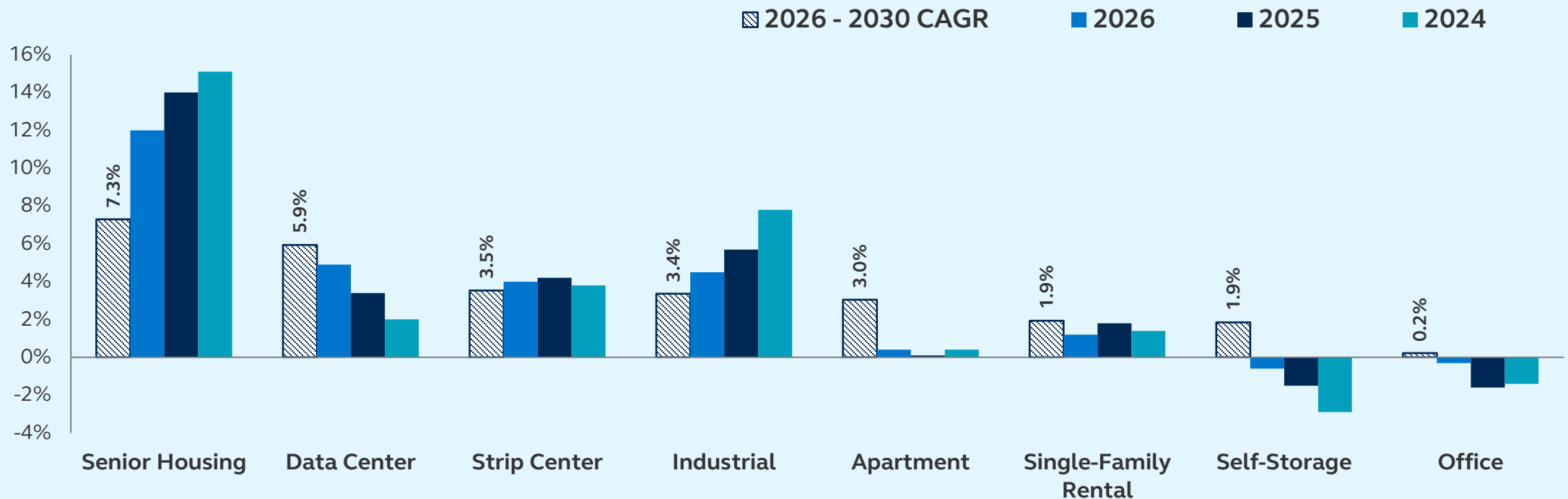
Picking the right sectors still matters

There's a wide NOI growth range across property types

NOI growth is diverging across property types, with some sectors maintaining strong momentum while others face more muted or negative trends. The range is wide and reflects different demand dynamics and supply conditions across sectors. Not all growth is created equal. Stronger sectors are continuing to compound performance, while others are still working through slower leasing and elevated supply.

NOI growth by property sector

As of 1Q 2026

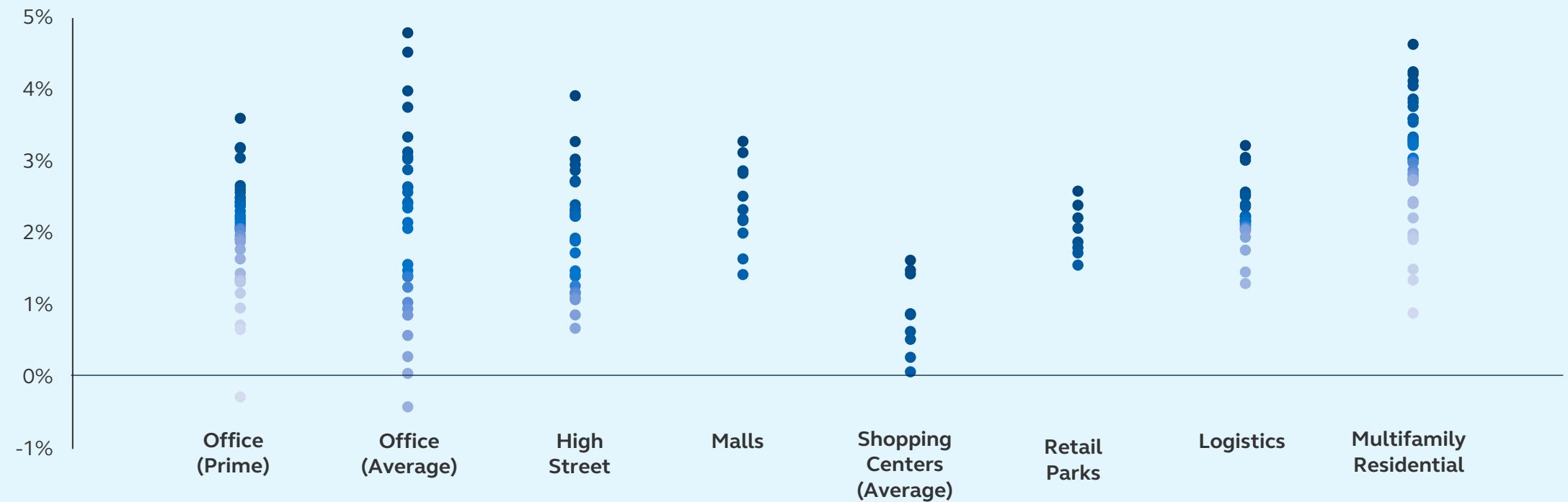


Picking the right properties in the right markets helps to deliver alpha

There's a wide range of forecasted annual rent growth across markets in both Europe and the U.S.

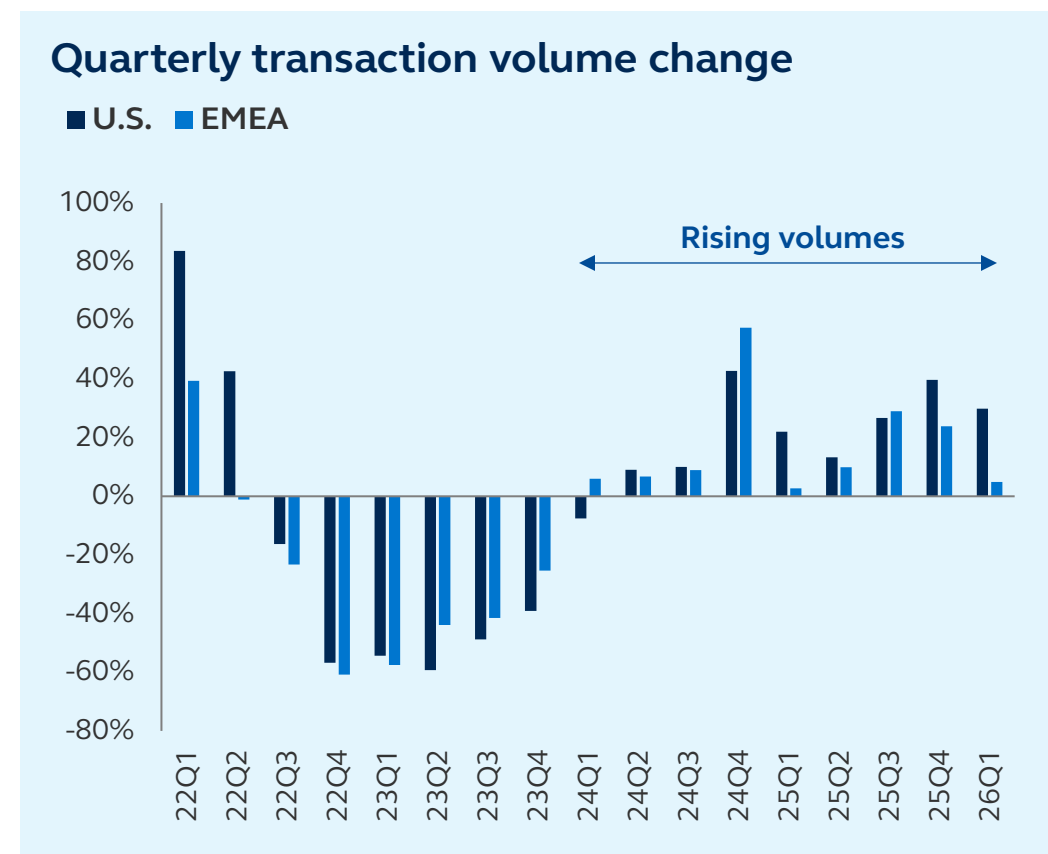
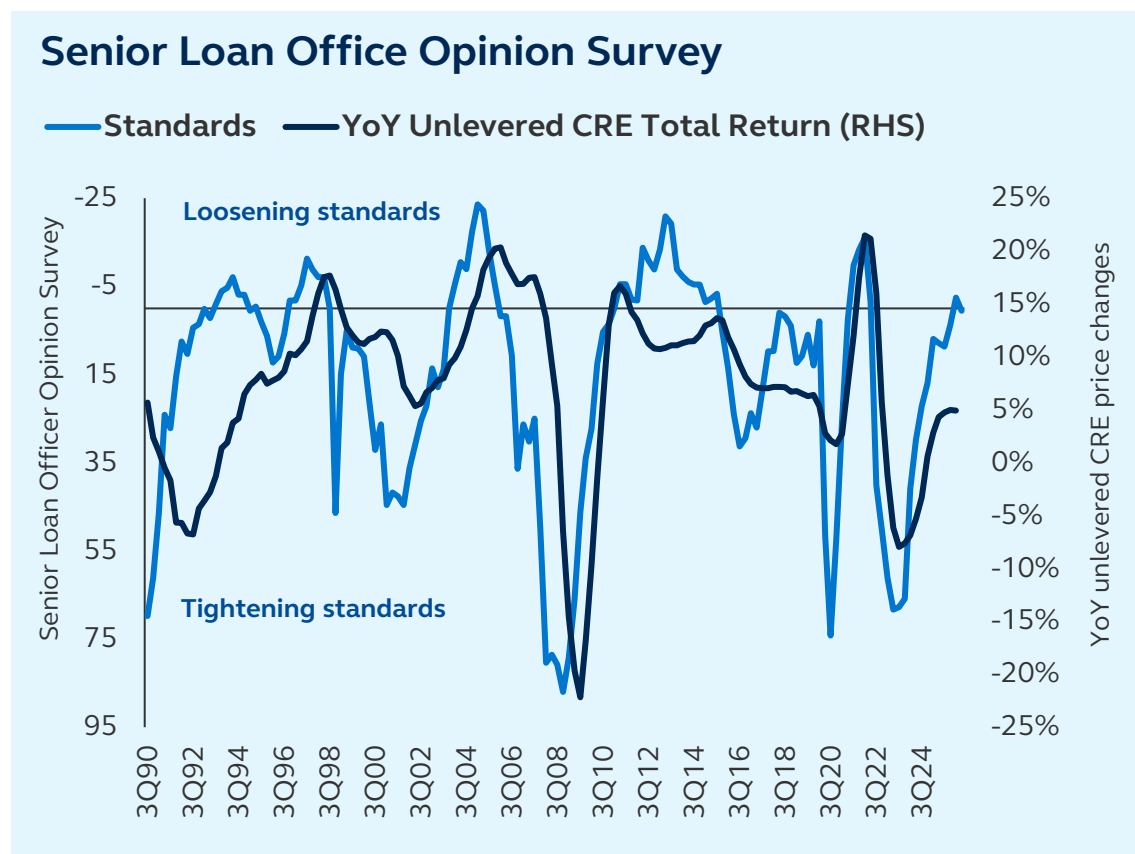
European annual rental growth forecasts

Percentage, 2025-2030



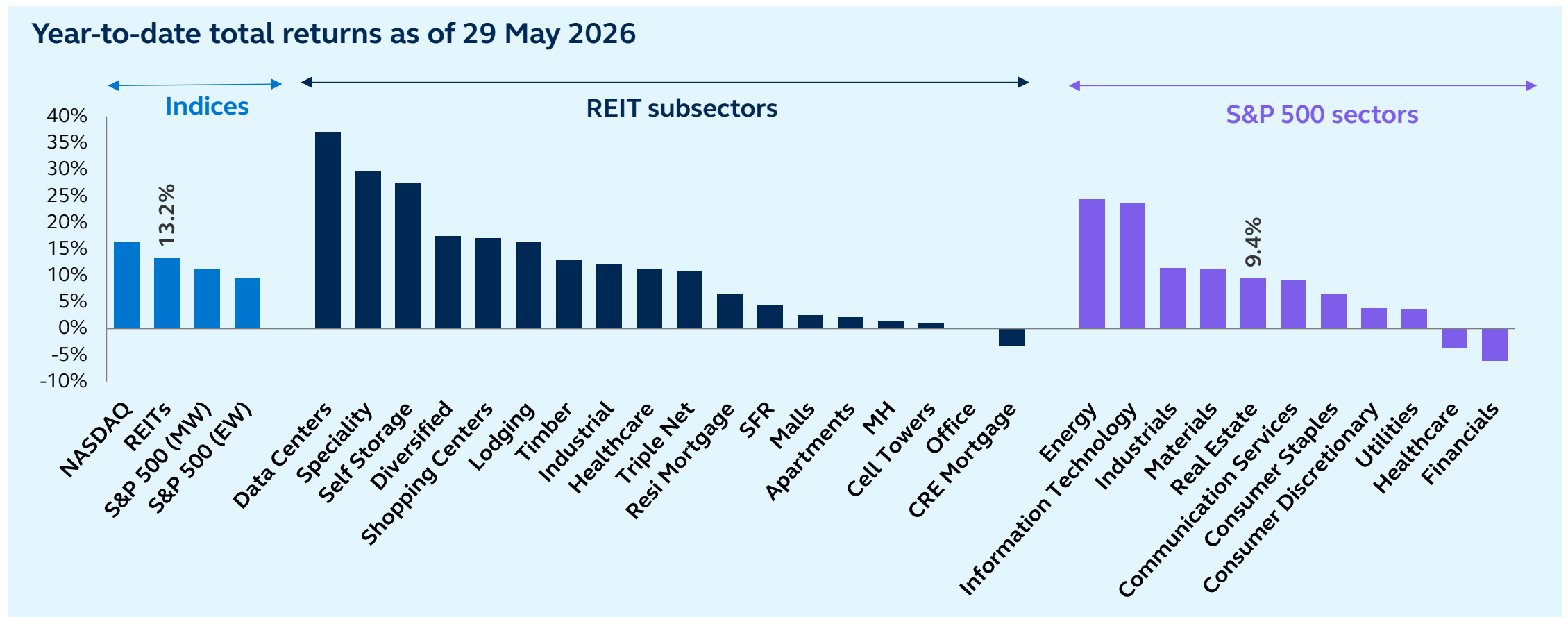
Lending standards improve and transaction volumes rebound

These conditions historically closely aligned with rising commercial real estate valuations



U.S. listed REITs are sending signals of resiliency for CRE

REITs rise +13% as real estate is the 5th best sector of the S&P 500



Source: Bloomberg, Principal Real Estate, 29 May 2026. U.S. listed REITs represented by FTSE NAREIT All Equity Index. Indices are unmanaged and do not take into account fees, expenses, and transaction costs and it is not possible to invest in an index.

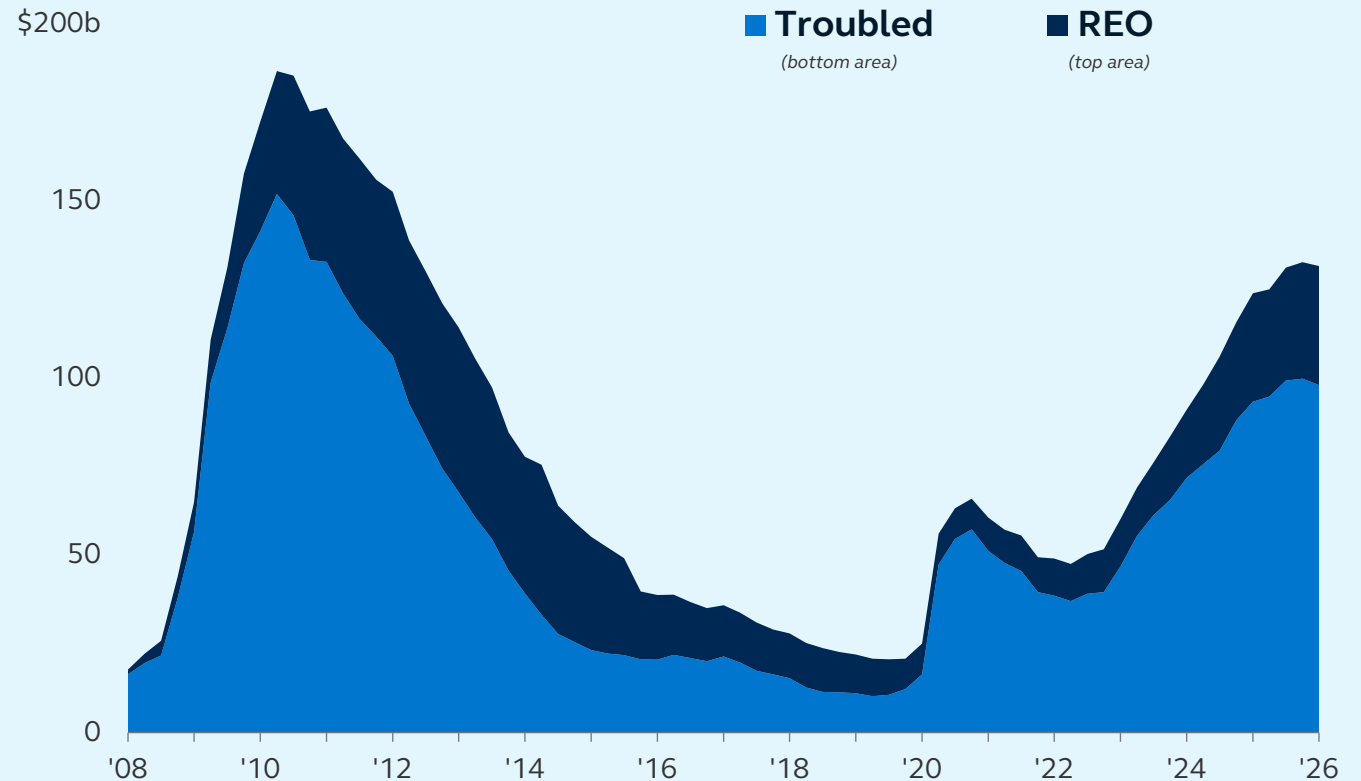
CRE credit distress: More cycle than distress

Distress declined in 1Q 2026 for the first time in 15-quarters

Historically, in CRE credit cycles, REITs hit bottom first, followed by private CRE valuations 12 to 18 months later, and delinquencies 12 to 24 months after that. This cycle seems no different. REITs are up nearly 55% from their 2023 lows and have transitioned from recovery to expansion. Valuations are recovering, and distress has risen.

Loan modifications have increased, but remain modest relative to total exposure, and the share of maturing CMBS loans being paid off remains close to long-term historical averages. Although delinquency rates and distress are well above historical averages, CRE debt distress is typically a lagging indicator.

Historical cumulative distress



Strategic outlook

03

Debt still dominates, but equity begins to return

Four quadrant outlook

Improving equity fundamentals broaden the CRE opportunity set

↑ Attractive
 ↗ Improving
 → Stable
 ↘ Deteriorating
 ↓ Challenged

Private Equity

Core, Core+, Value-add, Opportunistic



The recovery in real estate is underway, though progressing unevenly across sectors and markets. We view this as a highly differentiated and compelling environment to generate alpha through selectivity and execution. Despite ongoing geopolitical uncertainty, repricing and declining new supply are creating an attractive entry point, particularly in sectors supported by strong secular demand drivers such as data centers and rental housing.

Public Equity

REITs



The “REIT Reawakening” of 2026 follows a two-year period of modest gains, supported by durable earnings growth, attractive relative valuations, and investor interest in diversifying concentrated AI-related equity exposure. Public real estate continues to trade at a discount to private markets, while listed REITs offer scalable platforms to access high-quality markets and alternative sectors across the U.S. and globally.

Private Debt

Senior, Subordinate



CRE credit markets remain open, with all major lenders active across investment strategies. A robust maturity schedule and improving investment sales volumes are supporting deal flow, though recent volatility and higher Treasury yields have delayed some borrower decisions. As real estate markets recover, we continue to view 2026 as an attractive vintage for private debt.

Public Debt

CMBS



Commercial real estate fundamentals remain supportive of the CMBS market, with lagging distress indicators expected to stabilize later this year. Gross issuance is still projected to exceed 2025 levels, though forecasts have been modestly reduced amid higher rates tied to Middle East tensions. SASB transactions are increasingly driving issuance, supported by liquidity, attractive spreads, and compelling carry.

Active selection can add alpha within real estate

Performance among sectors in a given year can vary widely. Dynamic allocation may provide investors the best possible outcomes by maximizing the opportunity set in any given environment

Average performance spread across quadrants since 2007: 18.9%

Performance gross total return

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
16.0%	-4.1%	28.1%	20.8%	16.0%	19.7%	13.9%	28.0%	15.0%	8.8%	8.7%	8.3%	28.7%	7.6%	41.3%	7.5%	11.4%	5.0%	7.0%
15.7%	-10.0%	28.0%	27.9%	8.3%	10.9%	2.9%	12.5%	2.8%	8.6%	7.6%	2.6%	8.3%	6.3%	22.2%	-9.0%	5.6%	5.0%	6.3%
5.7%	-22.7%	14.7%	16.4%	6.9%	10.0%	2.9%	7.4%	2.7%	3.5%	5.7%	1.0%	8.1%	1.2%	1.9%	-10.9%	5.3%	4.9%	3.8%
4.6%	-37.7%	-29.8%	10.2%	6.5%	4.7%	0.2%	4.2%	0.9%	2.9%	3.5%	-4.0%	5.3%	-5.1%	-0.9%	-24.9%	-12.0%	-1.4%	2.3%

Key

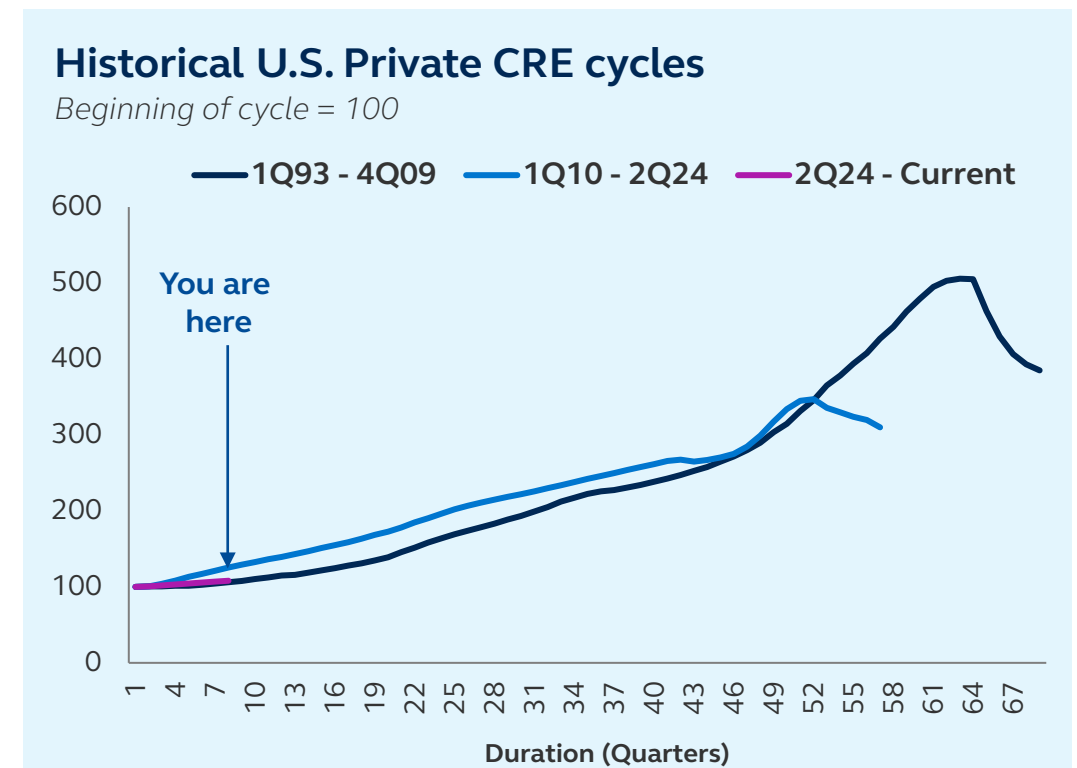
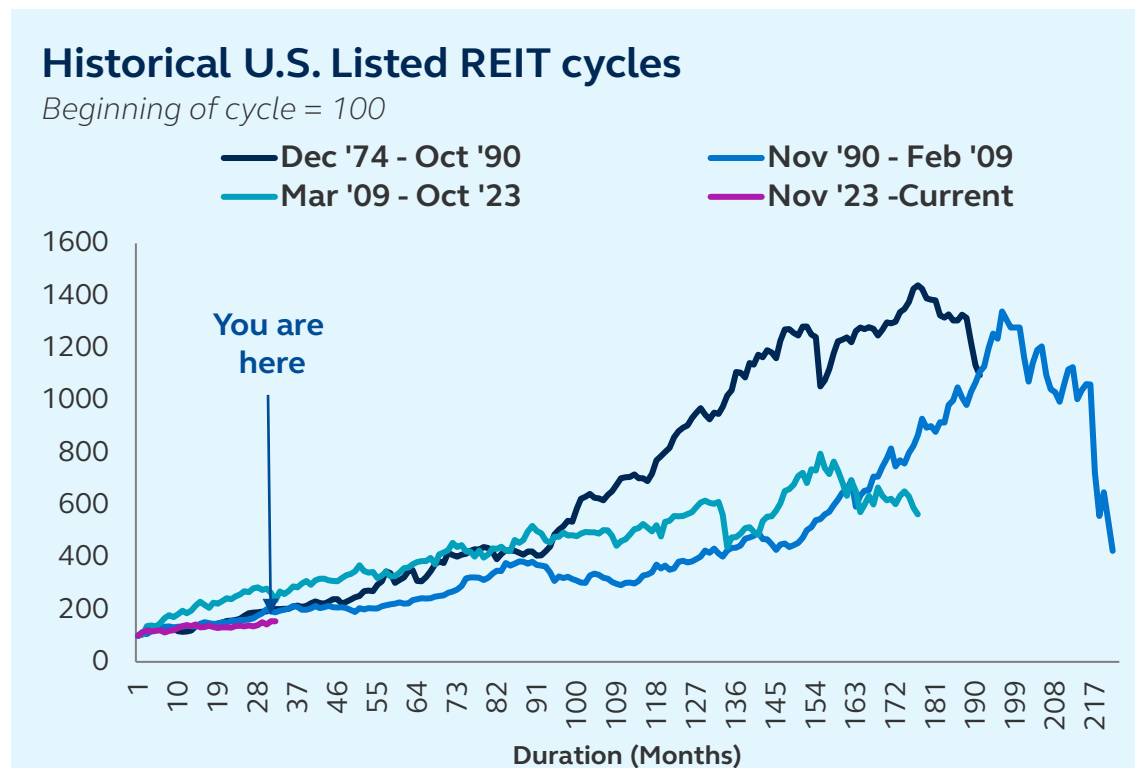
	REITs		Private real estate debt
	Investment-grade CMBS		Private real estate equity

Source: Principal Real Estate, 31 December 2025. Indices: US REITs: FTSE NAREIT All Equity REIT Index; IG CMBS: Bloomberg US CMBS Investment Grade Index; Private RE Debt: Giliberto-Levy Index; Private RE Equity: ODCE variable-weight index. Past performance is not indicative of future performance. Indices are unmanaged and do not take into account fees, expenses, and transaction costs and it is not possible to invest in an index. See important information for index descriptions.

The current CRE cycle is early by historical standards

Cycles are long and durable, supported not just by price returns but also by underappreciated income returns

U.S. listed REITs recently transitioned from recovery to expansion after moving above prior cycle highs, an important signal. CRE cycles in the U.S. typically span roughly 18 years and progress through recovery (about 2-years), expansion (11-12 years on average), and downturn (about 1.5 years) phases. Returns are most substantial during recoveries, though expansions still deliver double-digit annualized performance even for investors who miss the recovery phase.



Global private CRE is not a monolithic asset class

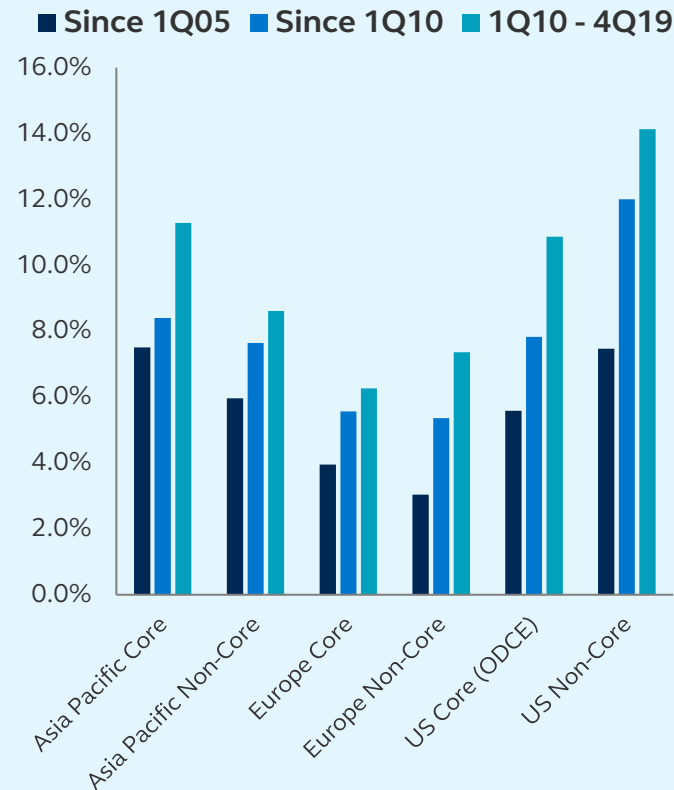
There are different return profiles across geographies and across the risk spectrum

Global private real estate does not move as a single market. Returns diverge meaningfully by geography and risk profile, with core and non-core strategies following very different paths through the cycle.

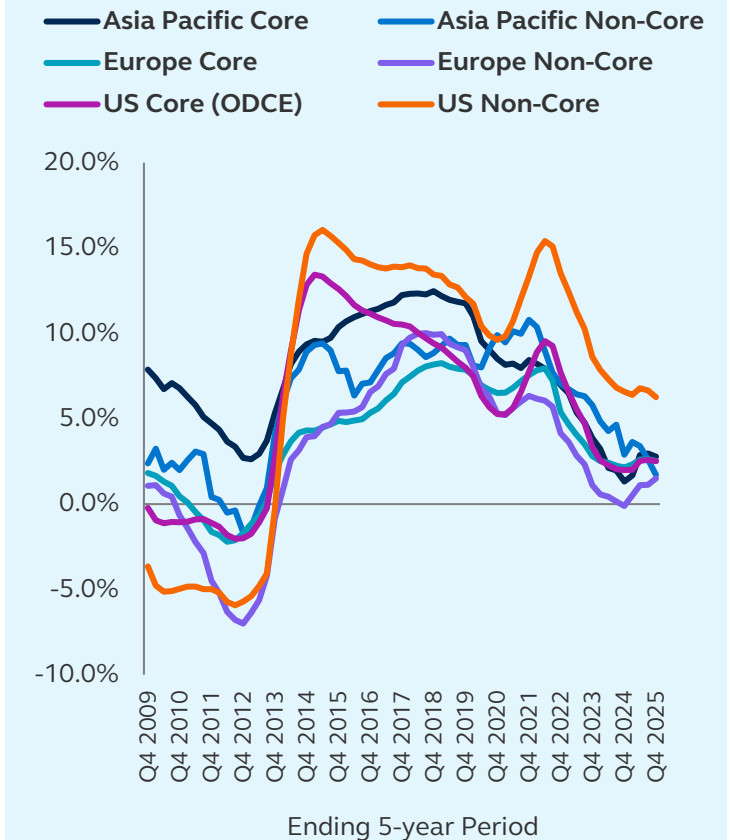
These differences manifest across both time and outcome. Some strategies benefit earlier in the cycle, while others depend more on stability and income - creating distinct return profiles across regions. The result is a broader opportunity set, but also a more complex one.

Portfolio construction matters. Outcomes are shaped not by how much is allocated, but by how exposure is built.

Average rolling 5-yr annual returns



Rolling 5-year annual returns



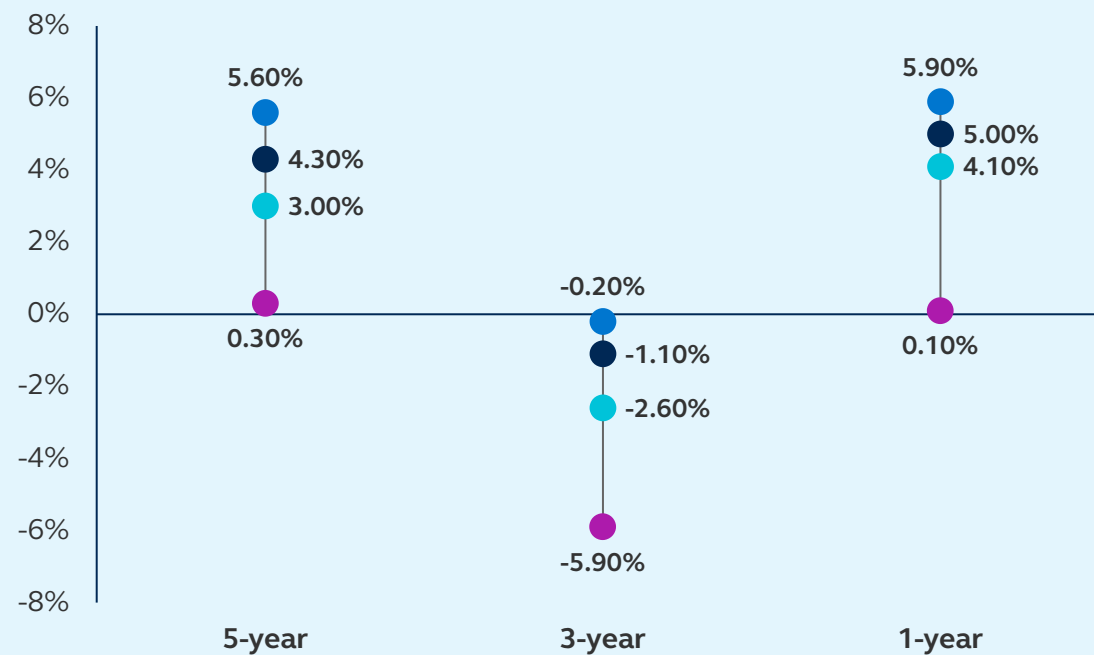
Dispersion in core funds is likely to persist

There's a wide range between the top and bottom quartile funds in both the U.S. and Europe

NCREIF ODCE Funds

Annualized returns

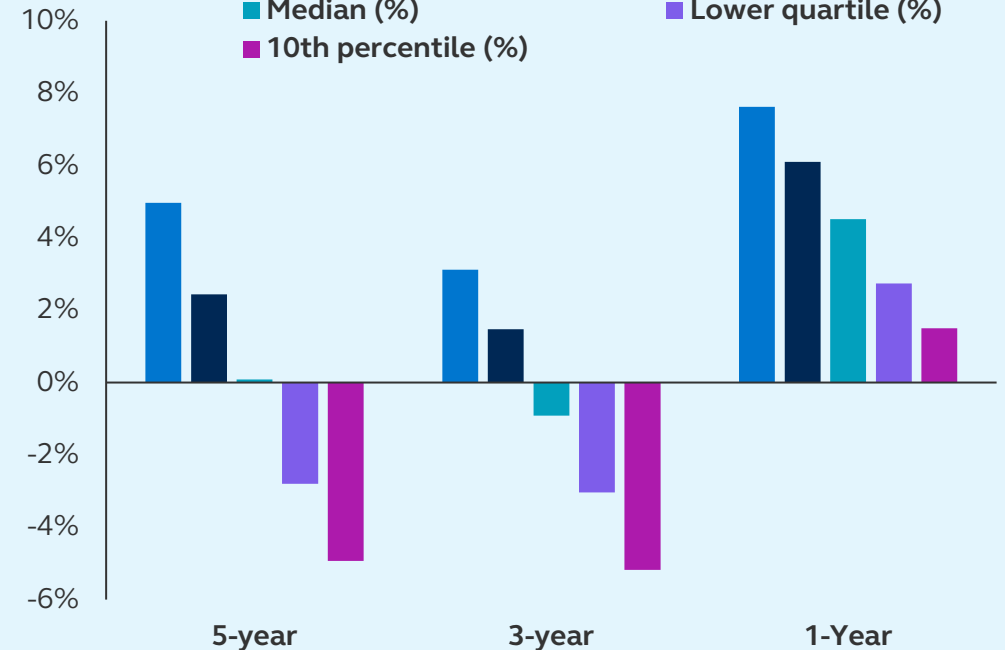
● Top Quartile ● 2nd Quartile ● 3rd Quartile ● Bottom Quartile



INREV ODCE Funds

Annualized net returns

From left to right: ■ 90th percentile (%) ■ Upper quartile (%)
■ Median (%) ■ Lower quartile (%)
■ 10th percentile (%)



Source: NCREIF, INREV, Principal Real Estate, 31 March 2026. Past performance is not a guarantee of future results. No investment strategy can assure success or guarantee against loss in declining market environments. All investing is subject to market volatility, and it is always possible for an investor to lose their principal.

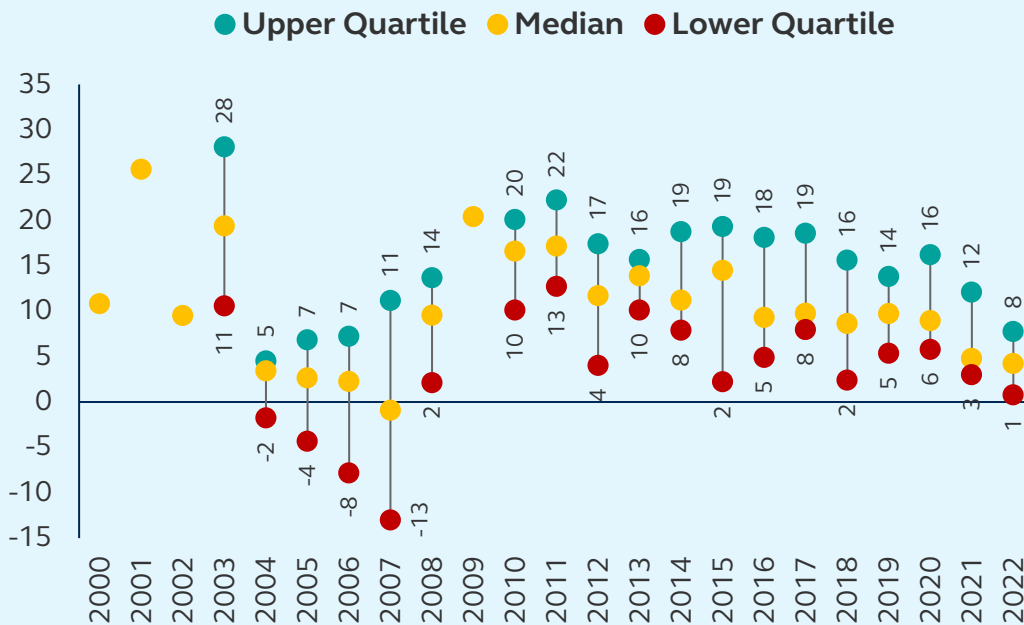
Early cycles reward moving out the risk spectrum

Manager selection becomes even more important

Manager selection is becoming a more important driver of outcomes across real estate strategies. Performance differences are increasingly driven by execution, capital allocation, and asset management rather than timing alone. This is evident across vintages, where the spread between upper and lower quartile returns remains wide even within the same market environment. Strong and weak outcomes continue to coexist, reinforcing the importance of selecting the right partners.

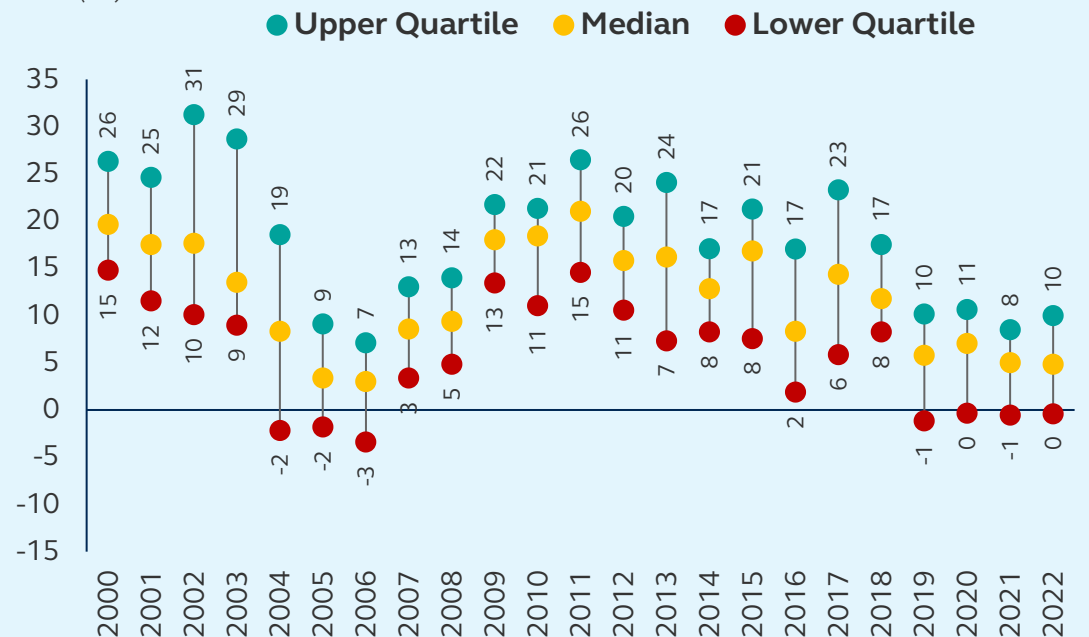
North American Opportunistic Funds

IRR (%)



North American Value Add Funds

IRR (%)



Source: Preqin, Principal Real Estate, 29 May 2026. Past performance is not a guarantee of future results. No investment strategy can assure success or guarantee against loss in declining market environments. All investing is subject to market volatility, and it is always possible for an investor to lose their principal.

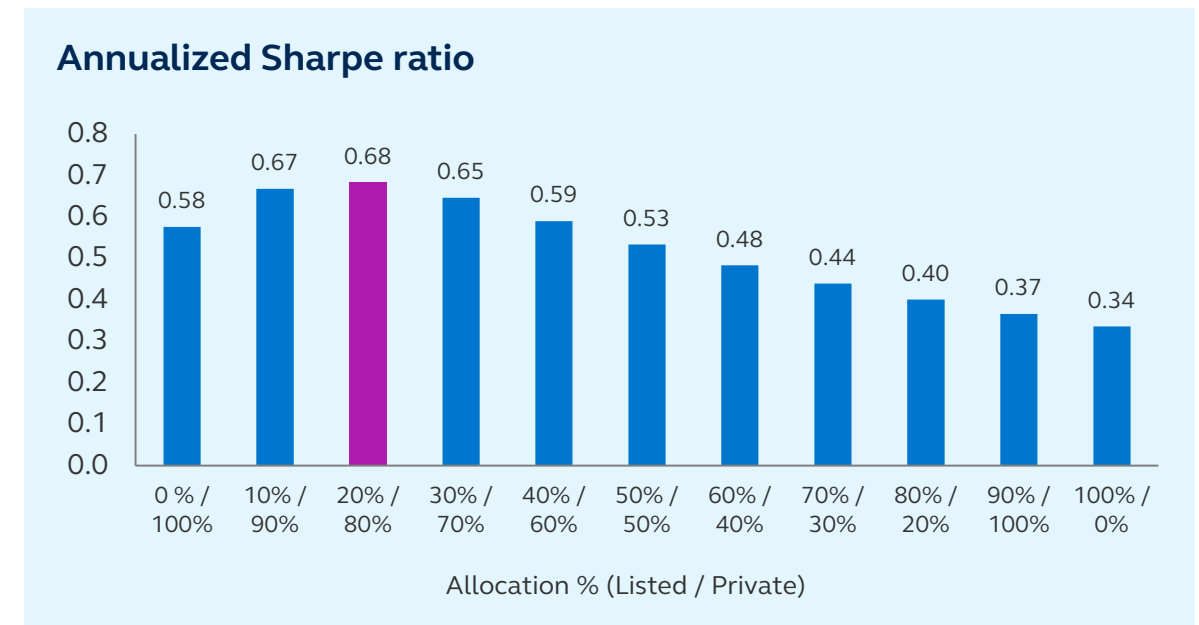
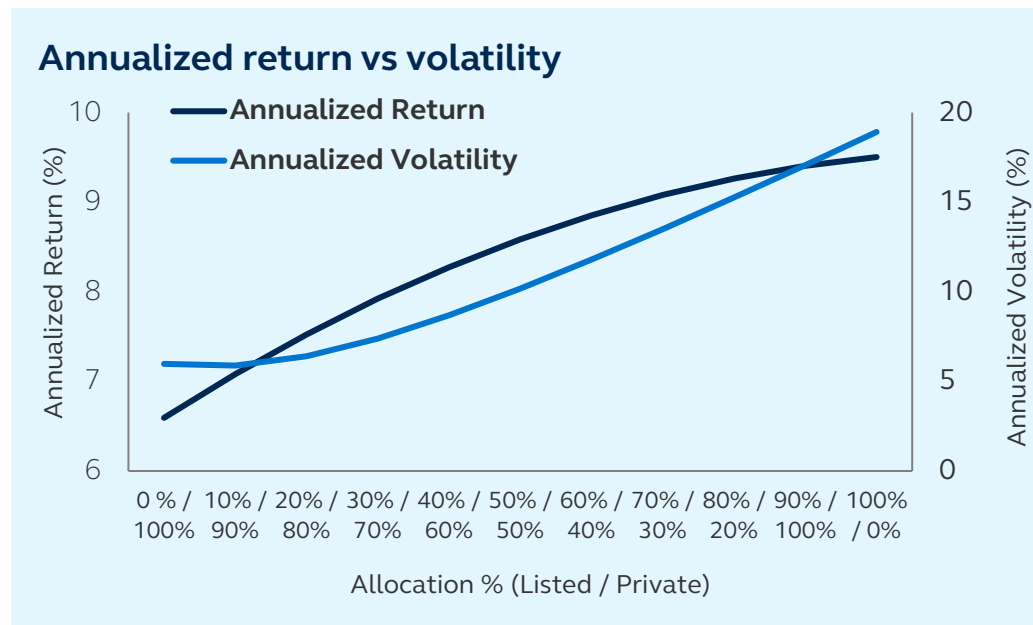
Integrating listed REITs with private equity optimizes portfolios

Optimizes portfolio outcomes by reducing volatility, increasing returns and mitigating drawdown

Allocating to listed REITs within a private real estate portfolio enhances overall portfolio outcomes. Based on a full-cycle lookback (1Q90–1Q26), a 10% allocation to listed REITs reduces portfolio volatility by smoothing returns over time, leveraging the well-documented lead-lag relationship with private equity real estate. A 20% allocation maximizes Sharpe ratios, as the incremental return more than compensates for the marginal increase in volatility. Five- and ten-year lookback analyses corroborate these findings.

Allocation sensitivity analysis

Full cycle analysis – 1Q90 to 1Q26

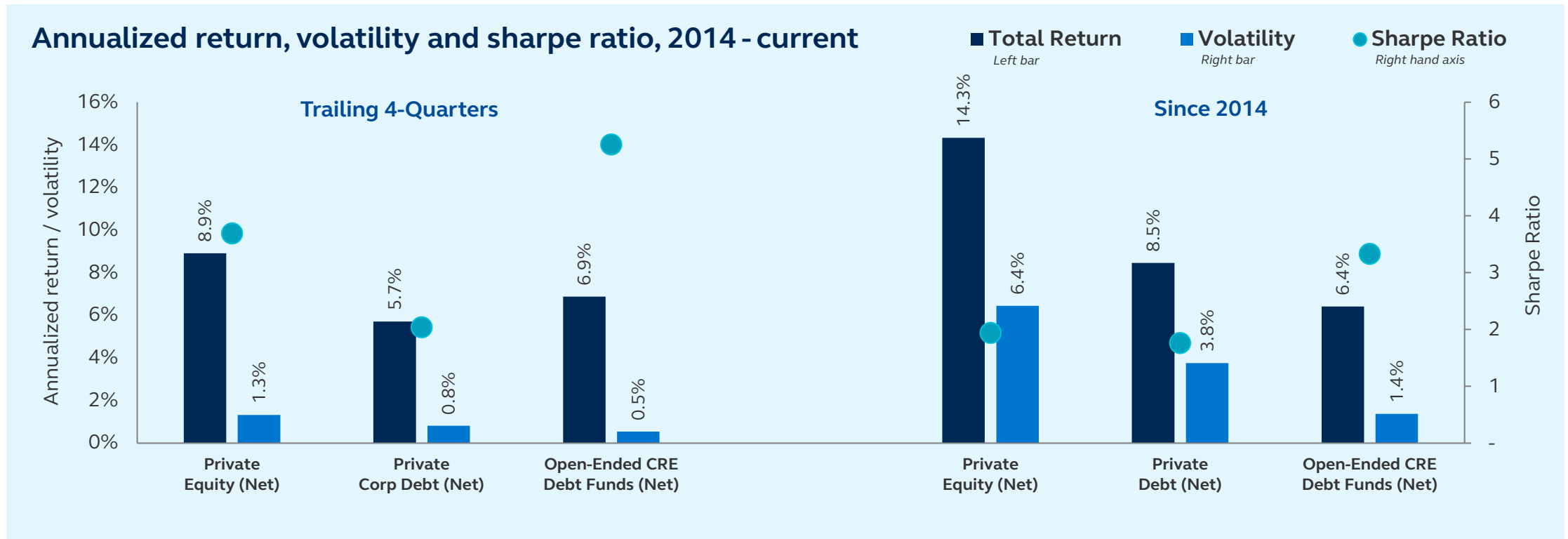


Source: NCREIF, Bloomberg, Principal Real Estate, 31 March 2026. Past performance is not a guarantee of future results. No investment strategy can assure success or guarantee against loss in declining market environments. All investing is subject to market volatility, and it is always possible for an investor to lose their principal.

The stability of private CRE debt is underappreciated

Historical returns are lower than private equity and private corporate credit, but so is volatility

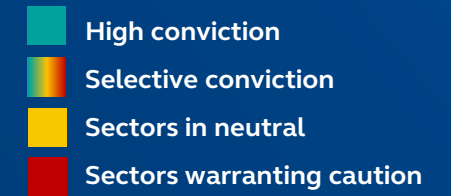
An important consideration for private CRE debt is the relative attractiveness of volatility adjusted returns for CRE debt versus private corporate credit and private equity. While CRE debt funds have lower absolute returns, they also have much lower volatility and, as a result, Sharpe ratios are superior. We therefore believe the portfolio optimization benefits of adding an allocation of CRE debt to either alternative strategy is likely underappreciated.



Sector opportunities

04

State of the commercial real estate sectors



United States



Data centers

Data centers demand is robust driven primarily by cloud and AI demand. Low vacancy and power-constrained development continue to support rent growth.

Industrial

Newly delivered space is still being absorbed, and tenants are navigating trade uncertainty. Modern assets remain highly sought after by tenants and investors.

Residential

The sector is stabilizing as demand remains healthy. Lower levels of new construction will help lower vacancy rates and shift the pricing pendulum from tenants to landlords.

Retail

Necessity-based retail remains a bright spot, supported by barbelled consumer spending, high-income households, and limited new supply.



Senior housing

Demand is robust, driven by strong post-pandemic recovery. Despite healthy fundamentals, longer term challenges complicate the sector's economics.

Student housing

Fundamentals remain solid, but competition is increasing. Performance is expected to be nuanced regionally, with a particular focus on the South.

Office

The sector is experiencing a nascent recovery. Demand and occupancy improvements are modest but evident. Asset quality remains the primary focus.

Life sciences

Oversupply and weak demand remain problematic amid the slowdown in VC funding. Construction has slowed, but near-term leasing and rent growth challenges remain.

Europe



Data centers

Record construction activity has not kept pace with demand, lowering vacancy rates as the sector expands geographically and grows more segmented and complex.

Residential

Demand is expected to remain robust driven by international migration, urbanization, and positive household formation trends; while construction activity remains constrained.

Industrial

Moderate prospects compared to last cycle. Fundamentals are broadly balanced. Defence and infrastructure fiscal spending should provide an additional tailwind.

Hotel

Conditions remain moderately positive amid a normalization of occupancy levels and easing pricing power. Europe could benefit from a reallocation of demand away from the Middle East.



Retail

Retail outperformed most sectors in 2025 with 7.9% annualized returns. However, varying demand across markets and segments makes selective investing essential.

Student housing

Mainland Europe is increasingly attractive, while the UK market outlook is subdued amid tighter student visa rules, higher tuition fees, and a higher cost of living.

Healthcare

Market conditions are improving after a period of operational pressure and restructuring. Care operators are reporting stronger revenues and renewed cash focus.

Office

The office sector has yet to fully recover, but high-quality assets in supply-constrained submarkets continue to see strong demand, limited availability, and record rental growth.

Source: Principal Real Estate, June 2026.

Structural demand supports continued growth for data centers

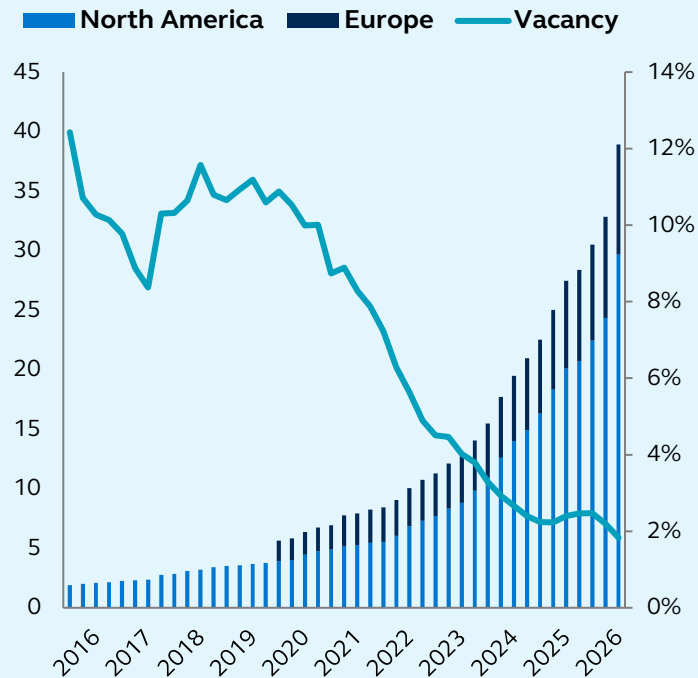
Demand for data center capacity continues to accelerate alongside the expansion of artificial intelligence and cloud computing, reflecting a structural increase in compute intensity across the economy. Growth is broad-based, with capacity requirements rising across regions as both training and inference workloads scale.

Capital is reinforcing this trend. Investment across the AI ecosystem remains elevated, supporting a steady pipeline of demand for digital infrastructure, while leasing activity continues to deepen as hyperscale users secure capacity further in advance and enterprise demand builds.

Fundamentals remain among the strongest across property types, with sustained demand growth, tight availability in core markets, and continued pricing power. However, performance will depend on market selection, tenant quality, and disciplined execution.

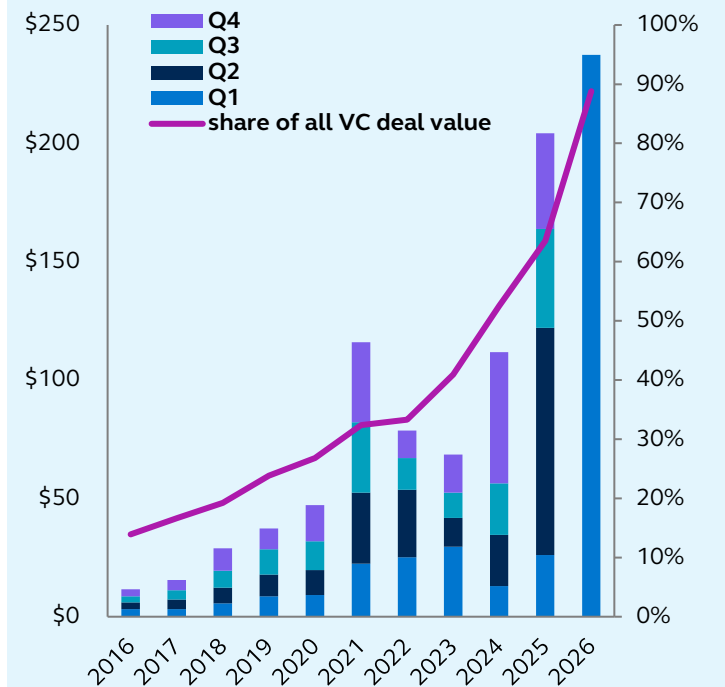
Commissioned power

MW



AI & ML VC deal activity

\$ billions, percentage



Industrial performance is becoming increasingly market specific

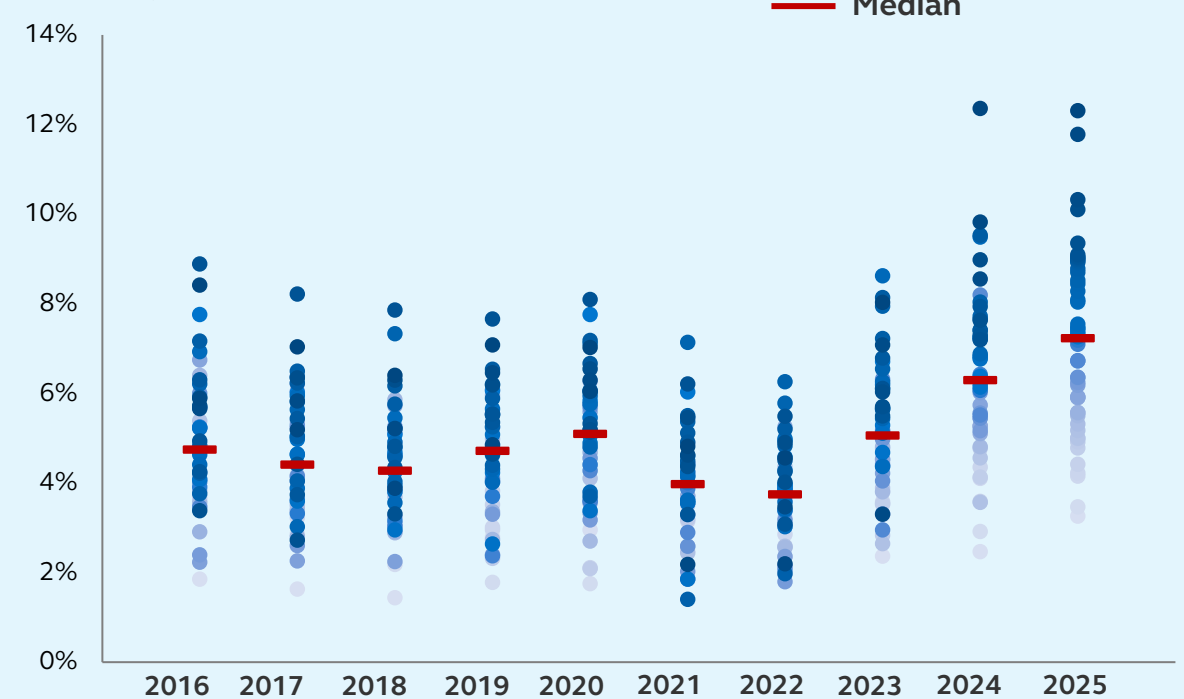
Industrial vacancy rates have moved higher from cycle lows as recent deliveries are absorbed and demand cools modestly across both the United States and the United Kingdom. The market is no longer operating in the uniformly tight conditions that characterized the prior expansion, though overall fundamentals remain healthy.

Differences across markets are becoming more pronounced. Vacancy spreads have widened, with select markets holding firm while others adjust more meaningfully under new supply. Outcomes are increasingly shaped by local demand drivers, timing of deliveries, and asset quality.

We see industrial as a selective conviction opportunity. The long-term demand story remains intact, but the path of performance is less uniform, placing greater emphasis on market selection and positioning within the development cycle.

Vacancy rate by market, top 50 by inventory square feet

Percentage



Global living

Housing affordability pressures reinforce rental demand

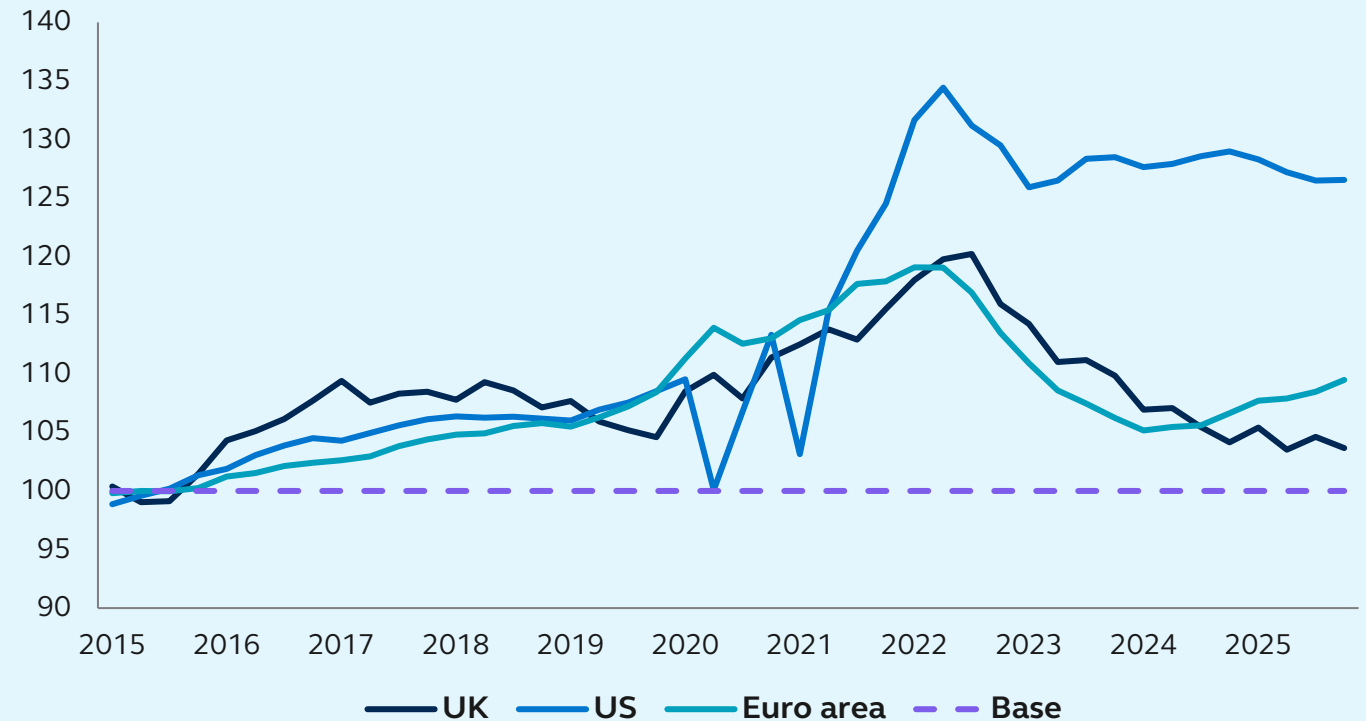
Housing affordability remains constrained across the United States and Europe, as price growth has outpaced income growth over much of the past cycle. While recent trends show some moderation, the cumulative impact continues to limit access to homeownership.

At the same time, the challenge is less about a broad shortage of housing and more about a mismatch between supply and demand. This imbalance is reinforcing rental demand in markets that do not have enough homes to meet the needs of the marketplace.

Residential remains a liquid and sought-after sector, supported by affordability constraints in the for-sale market and favorable demographic trends. However, elevated new supply is still being absorbed in select markets. Performance is expected to vary by region and product type, reinforcing the need for disciplined market selection and asset allocation.

Price-to-income ratio

100 = 2015



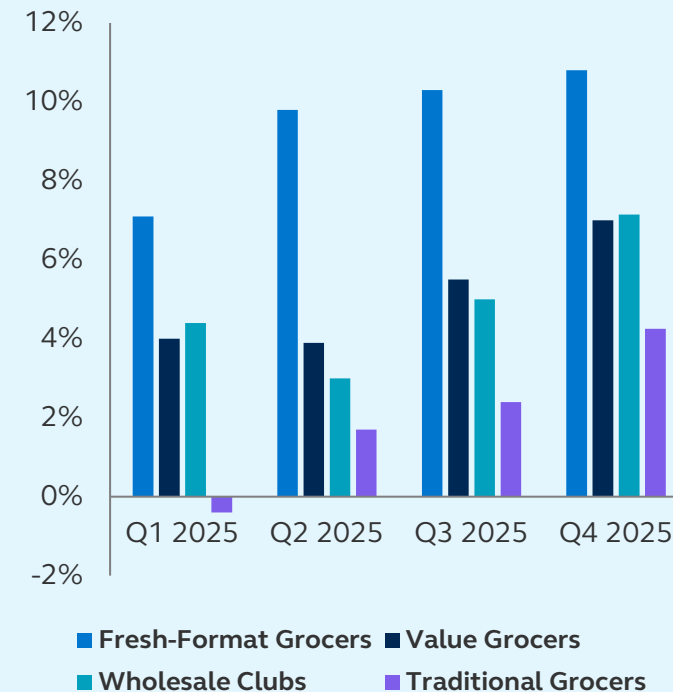
Necessity-based retail set to outperform

Consumer resilience is being tested, as indicated by flattening sentiment and the potential impact of higher inflation, which could erode discretionary spending power for all but the top income groups.

Net demand remains positive, and availability rates are holding near cyclical lows. Limited development since the GFC has meaningfully reduced the investable universe. Although the U.S. has 116,000 shopping centers, less than 10% of total gross leasable area meets institutional-quality criteria, and demographic filters aligned with REIT standards reduce that share even further. This combination of healthy fundamentals and scarcity underpins our thesis that bifurcation is occurring within the retail sector.

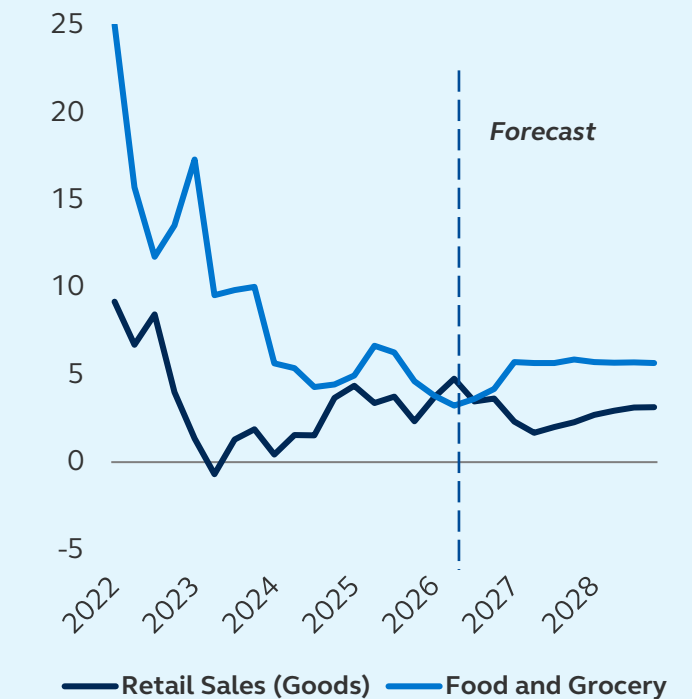
Foot traffic growth by grocery format

YoY % change



Retail sales

YoY % change



Improving fundamentals support a selective opportunity set

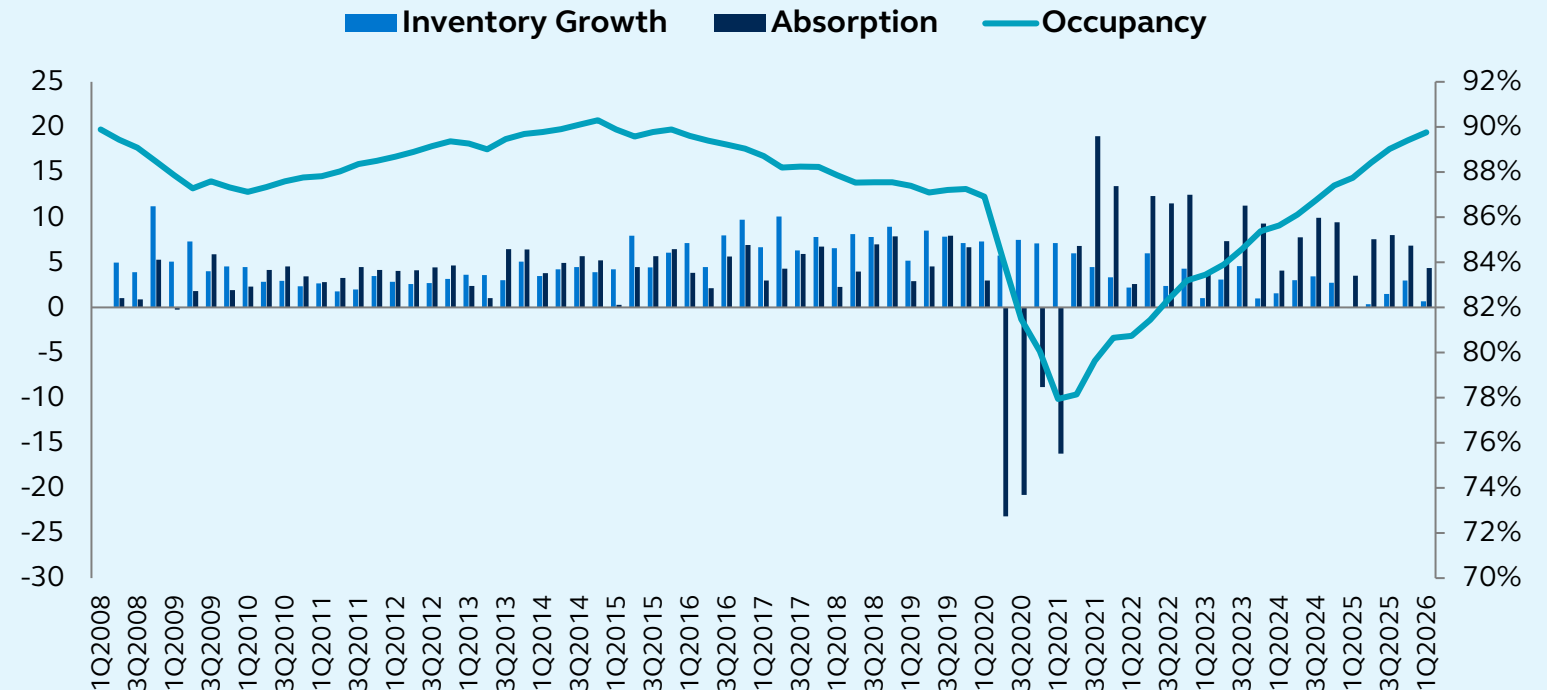
Senior housing fundamentals are improving as demand continues to recover following the pandemic-driven downturn. Absorption has strengthened meaningfully in recent periods, allowing occupancy to move higher after reaching a cyclical low in 2021.

This recovery is being supported by steady underlying demand tied to aging demographics, while new supply remains more measured. As a result, the gap between absorption and inventory growth has narrowed, contributing to a more balanced market.

That said, a meaningful rebound in property prices combined with the sector's inherent operational intensity calls for selective conviction.

Demand is continuing to outpace supply

Units (thousands), percentage





Investor interest has increased, but performance may be uneven

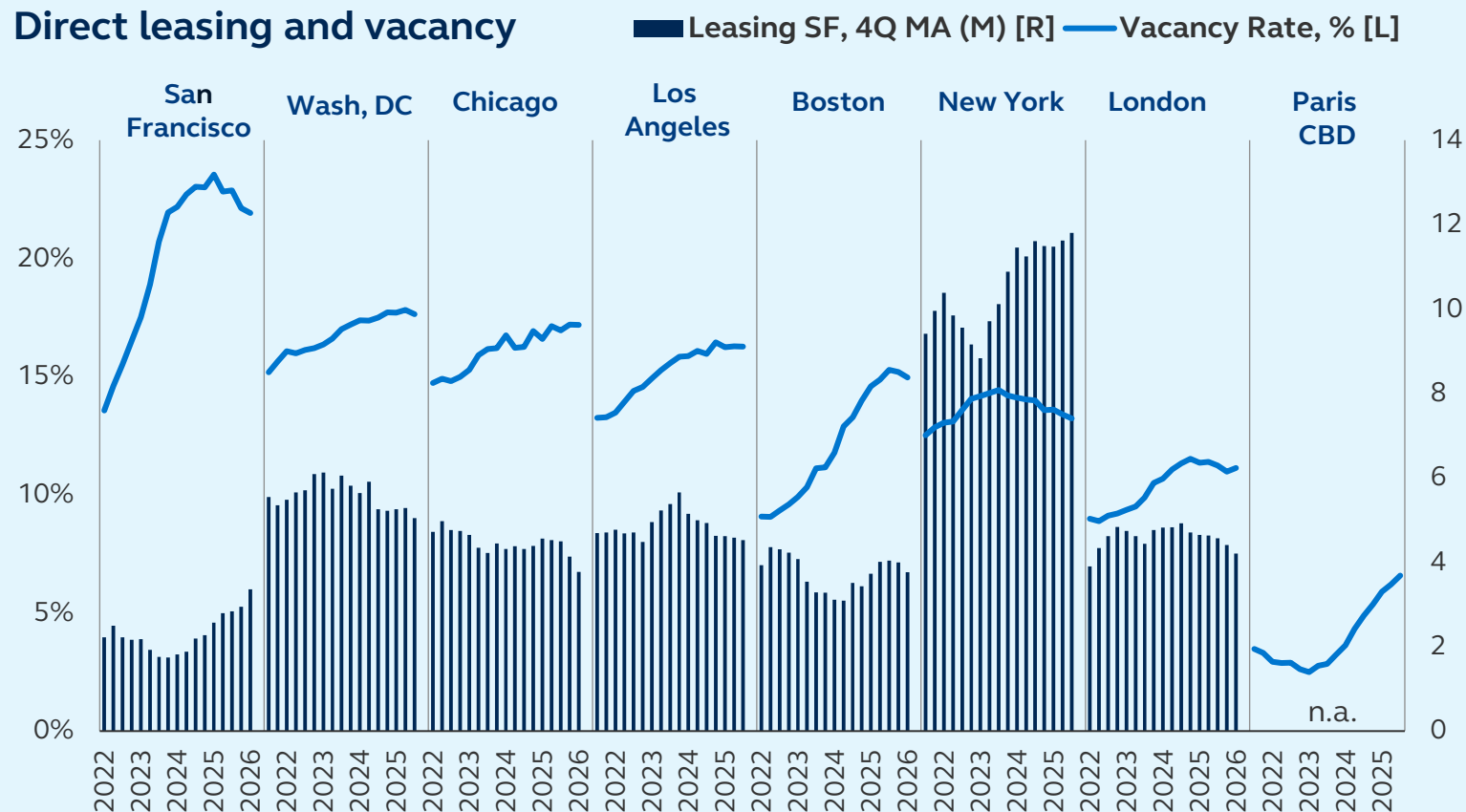
Limited new supply, combined with a nascent recovery in demand and vacancy, is piquing investor interest globally.

As new supply is near a generational low and conversion activity are supporting and real, but still modest office recovery. Demand remains focused on higher quality assets with a focus on urban locations.

U.S. and European gateway markets are outperforming as return to work continues to stabilize. European markets have experienced stronger performance to date, but momentum is beginning to take home in key U.S. markets.

We remain cautious on the sector, particularly from a private equity perspective due to complex operating economics. We see well positioned debt strategies emerging and believe it could be a leading indicator for the sector.

Direct leasing and vacancy



About Principal Real Estate

Global real estate investing backed by scale, expertise, and execution.

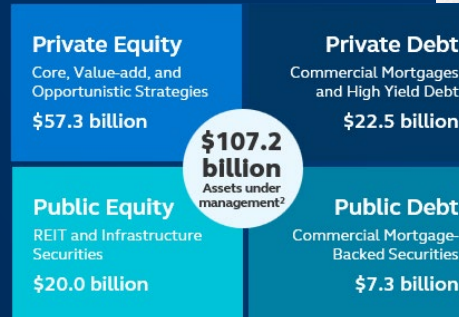
GLOBAL SCALE & REACH

- **Top-10** global real estate manager¹
- **730+ clients** across **32 countries**²
- **480+ employees** in **12 countries**

DEPTH OF EXPERIENCE

- **65+ years** of global real estate investment experience **across market cycles**³
- **\$122+ billion** in debt and equity transactions (10 years)⁴
- **\$13.5 billion** in 2025 private real estate transaction volume⁵

PrincipalAM.com/RealEstate



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Index descriptions

NFI-ODCE: The NCREIF Fund Index (open end diversified core equity) is an index of 20+ institutional perpetual funds ("core funds") that pensions and endowments have invested in to get durable, income-oriented real estate exposure for the last 40 years.

MSCI Property index: Report the market returns of the 25 most mature real estate markets, together with Global and Pan-Europe composite indexes, measured by MSCI and their partners.

MSCI World Index: The MSCI World Index is a major global stock market benchmark tracking large and mid-cap stocks across 23 developed countries.

FTSE EPRA/NAREIT Developed index: Tracks the performance of listed real estate companies (REITs and Real Estate Holding & Development firms) in developed markets globally, covering key regions like the Americas, EMEA, and Asia, focusing on ownership, development, and trading of income-producing properties, serving as a benchmark for index funds and performance measurement.

Bloomberg US CMBS Investment Grade Index: Measures the market of US Agency and US Non-Agency conduit and fusion CMBS deals with a minimum current deal size of \$300mn.

INREV All-Fund Index (officially the INREV Fund Index) tracks the performance of institutional, non-listed real estate funds heavily invested ($\geq 90\%$) in Europe, measuring annual and quarterly Net Asset Value (NAV) returns, net of fees, to provide transparency and benchmarking for this asset class.

Giliberto-Levy Index: A series of benchmarks tracking the performance of private-market commercial real estate debt, primarily for institutional investors.

Important information

⁽¹⁾ 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 2025. “The Largest Real Estate Investment Managers,” Pensions & Investments, 10 November 2025

⁽²⁾ Includes clients of, and assets managed by, Principal Real Estate Europe Limited and its affiliates. Assets under management figures shown here may include model only assets.

⁽³⁾ Experience includes investment activities beginning in the real estate investment area of Principal Life Insurance Company and continuing through the firm to present.

⁽⁴⁾ As of 31 December 2025. This is an annual update. Excludes public REIT transaction volume.

⁽⁵⁾ Includes only Principal Real Estate transactions for calendar year 2025.

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