

Principal Real Estate

# Private real estate debt capabilities

Leveraging our vertically integrated private debt platform

## About Principal Real Estate

A **top-10** global real estate manager<sup>(1)</sup> with more than **700 clients across 37 countries**<sup>(2)</sup> placing their trust in our experience

Experience spanning **over 65 years**<sup>(3)</sup>, through many market cycles, across Core, core plus, High-yield, and Construction

**Fully vertically integrated debt platform** with significant expertise across originations, servicing, special servicing and portfolio management

**On-the-ground network** helps generate broad deal flow; proficiency in deal analysis and due diligence seeks to ensure only high-quality prospects close

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

**\$100.1 billion**

in assets under management<sup>(5)</sup>

<b>Private Equity</b> Core, Value-add, and Opportunistic Strategies <b>\$49.3 billion</b>	<b>Private Debt</b> Commercial Mortgages and High Yield Debt <b>\$22.8 billion</b>
<b>Public Equity</b> REIT and Infrastructure Securities <b>\$21.5 billion</b>	<b>Public Debt</b> Commercial Mortgage-Backed Securities <b>\$6.5 billion</b>

## Principal Real Estate debt platform

With extensive experience and a well-resourced team, our private real estate debt platform has over \$22 billion of private debt assets under management\*. We have investment experience across the risk spectrum with investments in core mortgage loans, subordinated debt, and bridge, construction, and credit tenant loans.

<b>Insurance company heritage</b>	60+ years of private debt investment experience <sup>(3)</sup>
<b>Track record</b>	Over 35 years of private debt advisory services <sup>(3)</sup>
<b>Dedicated resources</b>	100+ private debt investment professionals
<b>Credit culture</b>	Proprietary risk modeling system rated servicing operations
<b>Four quadrant real estate experiences</b>	Broad investment perspective & access to insights and opportunities

\*As of December 31, 2024

## Where we execute across private debt

Principal Real Estate’s highly experienced debt team has executed on multiple loan structures with assets that exhibit various risk profiles through differentiated mandates over time. We focus on compelling U.S. markets and high-quality sponsors while ensuring multiple layers of diversification across core, core plus, and high yield strategies.

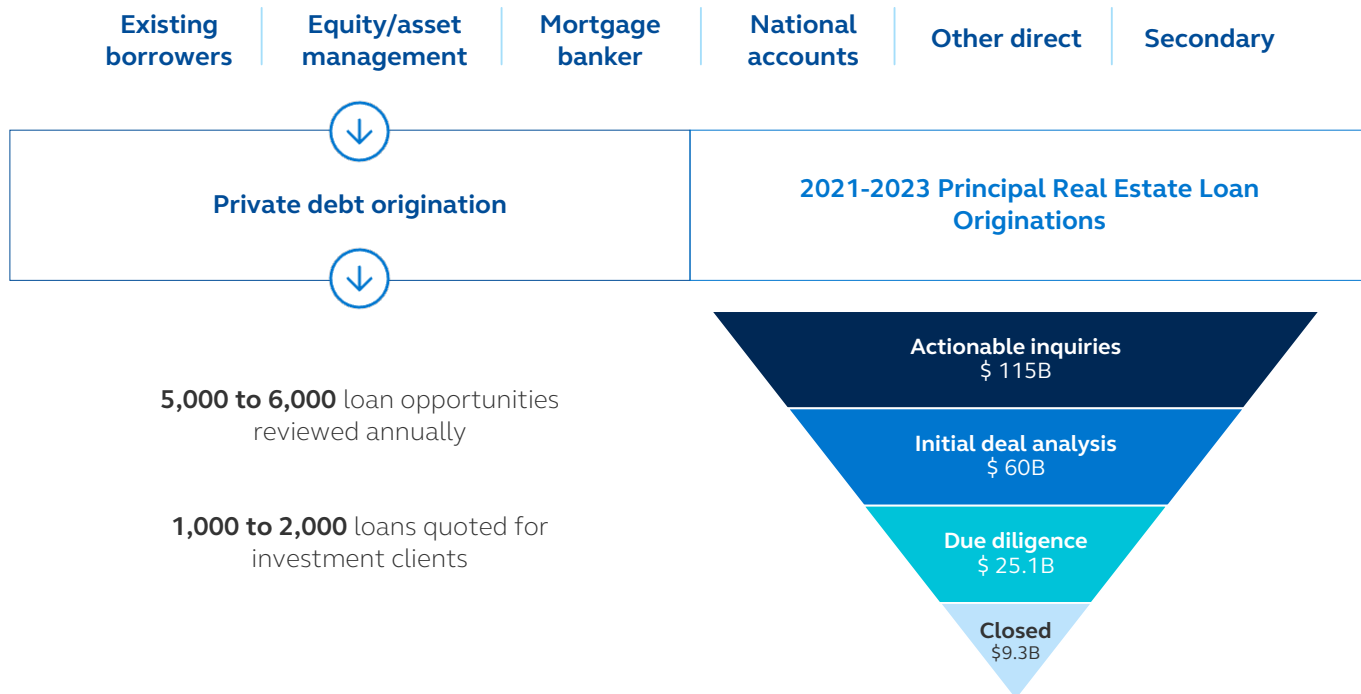


## Access to investment sourcing due to extensive on-the-ground network

With 30+ years of experience<sup>(3)</sup> and \$10.2B invested in high yield private debt\*, we have a strong track record in bridge loans (1993), subordinate debt (1998), and construction lending (1996).

Our deep market relationships provide access to 5,000-6,000 loan opportunities annually, resulting in \$8.1B in new high yield investments since 2011.

\*As of December 31, 2024



## Our debt platform is vertically integrated with all expertise across lending managed in-house



### ORIGINATION

All loans originated by our production team

#### Loans originated:

- \$97.4 billion of loan originations since 1999
- More than \$1.9 billion of loan originations in 2024
- Experienced origination team of over 41 people, vertically integrated with underwriting, closing and servicing.
- Represent top 40 U.S. Markets

\*As of 31 March 2024.



### PRIMARY SERVICING

Close and service loans, manage taxes & insurance

#### Loans serviced:

- 1,532 loans
- \$29.7 billion balance



### SPECIAL SERVICING

Oversee problem loan management



### ASSET MANAGEMENT

Manage all owned properties\*

#### Portfolio managed:

- 551 properties
- \$44.1 billion market value
- 59 people
- Over 14 years' average experience

### STANDARD & POOR'S RANKING

- Ranked 'Strong' as Commercial Primary Servicer<sup>(6)</sup>
- Ranked 'Strong' as Commercial Special Servicer<sup>(6)</sup>

Standard and Poor's was paid a fee to evaluate and provide a ranking for Principal Real Estate's special servicing capabilities.

## Extensive real estate debt organization

With over 100 dedicated debt team members, we've built a broad group with specialized expertise across portfolio management, loan origination, and loan servicing.



#### CHRIS DUEY

Senior Managing Director,  
Debt Portfolio Management

**Portfolio surveillance  
& monitoring**

**Portfolio management**  
10 people

**Average experience**  
23 years



#### KEVIN CATLETT

Senior Managing Director,  
Private Debt Production

**Loan sourcing & underwriting  
HY lending capabilities,  
Construction lending**

**Loan origination/underwriting**  
31 people

**Structured debt** 8 people

**Average experience** 16 years



#### PAT BAILEY

COO-Real Estate,  
Private Debt Operations

**Loan servicing  
Engineering & Appraisal**

**Loan closing** 13 people

**Loan servicing** 20 people

**Engineering & appraisal** 4 people

**Average experience** 20 years



#### BRIAN RILEY

CFO-Real Estate,  
Financial Management

**Specialized accounting  
Financial control/auditing  
Reporting**

**Accounting & audit** 5 people

**Real estate accounting &  
reporting** 8 people

**Average experience** 13 years

- <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 2024. “The Largest Real Estate Investment Managers,” Pensions & Investments, 7 October 2024.
- <sup>(2)</sup> Includes clients of, and assets managed by, Principal Real Estate Europe Limited and its affiliates.
- <sup>(3)</sup> Principal Real Estate Investors, LLC. became registered with the SEC in November 1999. Activities noted prior to this date were conducted beginning with the real estate investment management area of Principal Life Insurance Company and later Principal Capital Real Estate Investors, LLC, the predecessor firm to Principal Real Estate Investors, LLC.
- <sup>(4)</sup> As of 31 December 2024. Excludes public REIT transaction volume.
- <sup>(5)</sup> As of 31 December 2024. Due to rounding, figures shown may not add to the total.
- <sup>(6)</sup> Standard & Poor’s as of July 2024.

## Risk Considerations

Investing involves risk, including possible loss of principal. Past Performance does not guarantee future return. All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed. Potential investors should be aware of the risks inherent to owning and investing in real estate, including value fluctuations, capital market pricing volatility, liquidity risks, leverage, credit risk, occupancy risk and legal risk. All these risks can lead to a decline in the value of the real estate, a decline in the income produced by the real estate and declines in the value or total loss in value of securities derived from investments in real estate. Investments in private debt, including leveraged loans, middle market loans, and mezzanine debt, second liens, are subject to various risk factors, including credit risk, liquidity risk and interest rate risk. Non-investment grade securities offer a potentially higher yield but carry a greater degree of risk. Potential investors should be aware that fixed Investments carry credit risks, default risk, liquidity risks, currency risks, operational risks, legal risks, counterparty risk and valuation risks

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