Global Real Estate Securities
31 December 2019

Strategy description
Investing in listed real estate securities to provide investors diversified exposure to companies that own income producing real estate, develop real estate assets or perform other real estate related activities in markets located across the globe. Portfolio consists primarily of common equity securities issued by REITs and REOCs. Portfolio is actively managed with the objective of delivering attractive, risk-adjusted excess returns.

Key features of the investment strategy include:
- Track record of consistent and attractive risk-adjusted returns and strong downside protection
- Quality at a reasonable price investment style through bottom-up stock selection, favors above average companies trading at average or discounted valuations
- Portfolio construction process designed to deliver consistent excess returns through a large number of medium sized active weights

Portfolio managers
Kelly D. Rush, CFA
35 years' experience

Anthony Kenkel, CFA, FRM
22 years' experience

Simon Hedger
41 years' experience

Index
FTSE EPRA/NAREIT Developed NTR Index

Risk warning
- The potential for profit is accompanied by the possibility of loss.
- Equity markets are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues that may impact return and volatility.
- There is a risk that an investment will decline in value.
- 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.

For more information, visit
www.principalglobal.com

Composite performance (%)  
<table>
<thead>
<tr>
<th></th>
<th>3M</th>
<th>1YR</th>
<th>3YR</th>
<th>5YR</th>
<th>10YR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Real Estate Securities (gross)</td>
<td>2.83</td>
<td>25.72</td>
<td>12.27</td>
<td>7.95</td>
<td>10.92</td>
</tr>
<tr>
<td>Excess gross return</td>
<td>1.09</td>
<td>3.81</td>
<td>3.99</td>
<td>2.39</td>
<td>2.55</td>
</tr>
<tr>
<td>Global Real Estate Securities (net)</td>
<td>2.70</td>
<td>25.09</td>
<td>11.70</td>
<td>7.39</td>
<td>10.29</td>
</tr>
</tbody>
</table>

12-month rolling return (%)  
<table>
<thead>
<tr>
<th></th>
<th>Jan 15 - Dec 15</th>
<th>Jan 16 - Dec 16</th>
<th>Jan 17 - Dec 17</th>
<th>Jan 18 - Dec 18</th>
<th>Jan 19 - Dec 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Real Estate Securities (gross)</td>
<td>2.39</td>
<td>1.17</td>
<td>15.78</td>
<td>-2.78</td>
<td>25.72</td>
</tr>
<tr>
<td>Global Real Estate Securities (net)</td>
<td>1.85</td>
<td>0.64</td>
<td>15.20</td>
<td>-3.27</td>
<td>25.09</td>
</tr>
<tr>
<td>FTSE EPRA/NAREIT Developed NTR Index ^</td>
<td>-0.79</td>
<td>4.06</td>
<td>10.36</td>
<td>-5.63</td>
<td>21.91</td>
</tr>
</tbody>
</table>

As of December 2019. Source: Principal Global Investors.
Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions. Periods over one year are annualized. Please see disclosures for additional information on performance.

Property type ^
- Diversified 21%
- Industrial 16%
- Apartments 13%
- Office 10%
- Specialized residential 8%
- Healthcare 7%
- Malls & outlets 5%
- Hotels & resorts 4%
- Net lease 4%
- Self-storage 4%
- Data centers 3%
- Shopping centers 2%
- Towers 1%
- Other 0%
- Cash 0%

Geographic distribution (%) ^
- The Americas 57%
- Asia Pacific 24%
- Europe Middle East & Africa 18%
- Cash 0%

Portfolio characteristics ^
- Earnings growth 5.5% 3.8%
- Leverage (net debt & preferred/total cap) 26.9% 29.5%
- Weighted average capitalization $17.1bil $15.2bil
- Price/earnings (1 yr fwd) 32.7x 28.1x
- Price/NAV 102.7% 101.8%
- Price/Price/REITs from operations (1yr fwd) 22.5x 19.6x
- Dividend yield (current yr) 2.9% 3.6%
- Active share ratio ^ 57.6%
- # of holdings 85 337
- Dividend growth (fy1) 4.8% 4.2%

Top 10 holdings (%) ^

<table>
<thead>
<tr>
<th>Company</th>
<th>Portfolio</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prologis Incorporated</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td>Vonovia SE</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>Avalon Bay Communities, Incorporated</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>SEGRO plc</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>Invitation Homes, Inc.</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>Welltower, Inc.</td>
<td>2.8</td>
<td></td>
</tr>
<tr>
<td>Mitsubishi Estate Company, Limited</td>
<td>2.7</td>
<td></td>
</tr>
<tr>
<td>Alexandria Real Estate Equities, Inc.</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>Link Real Estate Investment Trust</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>Essex Property Trust, Inc.</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>29.5</td>
<td></td>
</tr>
</tbody>
</table>

^ Source: FTSE
^ Source: FactSet. Characteristics shows are of the representative portfolio.
Due to rounding, figures and percentages shown may not add to the total or equal 100%. Figures relating to the index are shown for comparative purposes only. The two methods of calculation may not be identical and it is not possible to invest in an index.
About Principal Global Investors Real Estate
Principal Real Estate Investors is a dedicated real estate investment group within Principal Global Investors. Our real estate capabilities span the spectrum of public and private equity and debt investments. Our specialized market knowledge, dedicated and experienced teams around the globe, and extensive connections across all four real estate quadrants allow us to maximize opportunities and find the best relative value on behalf of our clients.

Investment philosophy
We believe real estate securities markets are semi-efficient and may present opportunities that skilled, active managers can exploit through rigorous fundamental analysis and consistent application of effective security selection criteria.

Investment process
A rigorous investment process is used, which combines original research with disciplined portfolio construction and risk controls. Our seasoned team members use their specialized knowledge of regional real estate markets with the objective of exploiting inefficiencies and generating alpha.

The real estate securities team augments its focused investment expertise - and amplifies the potential of its investment research - by leveraging the broader real estate insights of Principal Real Estate Investors, as well as the global securities intelligence of the Principal Global Equities team.

Our investment process integrates both fundamental and quantitative research. We believe the integration of these two independent, but complementary, approaches to securities analysis provides a more robust signal of a stock’s performance potential, and distinguishes our approach from that of other managers.

Disclosures
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FTSE EPRA/NAREIT Developed NTR Index covers both the FTSE EPRA/NAREIT Equity REITs Index and the FTSE EPRA/NAREIT Developed ex-U.S. Index. Designed to track the performance of listed real estate companies and REITs worldwide, the series acts as a performance measure of the overall market. In reports issued prior to January 10, 2014, the FTSE EPRA/NAREIT Developed Real Estate GTR Index was used for all time periods. The benchmark was changed to be more representative of the composite strategy. Information regarding the comparison to both versions of the FTSE EPRA/NAREIT Developed Index is available upon request.

Composite performance results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce portfolio performance.

Net performance results reflect a reduction for investment advisory fees based on the firm’s applicable asset management fee schedule. Additional information on calculation of composite performance data is available on request. Actual investment advisory fees charged to clients may vary.

Each portfolio included in the composite is managed according to its own individual investment restrictions and limitations and therefore their characteristics may vary from those of the Representative Portfolio shown. Portfolio performance, characteristics and volatility may differ from the benchmark shown. Holdings and weightings are subject to change daily. The holdings listed should not be considered a recommendation to purchase or sell any security and there is no assurance an investment in these securities will be profitable.

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