



2023 Annual Report

We bring durable income, broad diversification and institutional real estate investment management to sophisticated investors.





Chief Executive Officer's Message

Allan Swaringen
President and Chief Executive Officer

To Our Valued Stockholders:

As we shared with you in communications throughout last year, 2023 was a year of divergent trends. The macroeconomic and interest rate environments, along with real estate capital markets, created turmoil, paralysis in transaction activity and downward pressure on valuations across the real estate industry. However, within the confines of JLL Income Property Trust, the fundamentals of our portfolio of diversified equity and debt investments remained resilient and exhibited strong growth. Occupancy remained strong, rental rates grew across our overweight property sectors, and year over year revenues exhibited near record growth. Nearly every key operating performance metric within our portfolio performed in-line with or above expectations.

Despite the strength and resiliency of our portfolio's fundamentals, we suffered a down year from an investment performance perspective. We have now paid quarterly dividends for twelve years, and in the first quarter last year provided stockholders our eighth dividend increase over that period. While we continue to deliver on one of our primary investment objectives – to be a reliable source of growing income for our stockholders – in 2023 we fell short of our objective to preserve and protect invested capital. Real estate values declined in every quarter last year and our share price similarly reflected those downward market movements. Class M-I shares declined 13.1% for the year, and when offset by our positive 4.4% income return, total return was negative 9.3%.

The Federal Reserve's eleven rate increases over the last two years not only elevated market interest rates, they also drove real estate capitalization and discount rates higher. This inevitably forced property valuations lower. The rigorous quarterly independent appraisal process of our portfolio holdings reflected these declines in property values and resulted in share price declines throughout last year. It is noteworthy that the most widely respected institutional real estate indices similarly realized valuation declines in 2023. Income Property Trust outperformed these indices every quarter last year.

Notwithstanding disappointing total returns last year, Income Property Trust continues to deliver an attractive current dividend yield – 4.64% on our lowest fee share class and has averaged nearly 4% annualized

dividend growth over twelve years. Further, on a tax-equivalent basis – given our long-term tax efficiency, this yield equates to an approximate 6.44% for investors in higher tax brackets. We have one of the best long-term tax efficiency track records across the NAV REIT sector – with a 12-year track record of nearly 75% of our distributions being characterized as either non-dividend distributions or long-term capital gains.

Core real estate, the investment style we employ, should be viewed as a long-term investment – seven to ten years or longer – and investment performance should similarly be measured over that longer time horizon. We employ conservative leverage generally below 40% loan-to-value, prefer fixed rate debt to floating and have chosen not to reflect illusory valuation gains using debt mark to market. We keep our borrowings at their face loan amounts when calculating our Net Asset Value. These conservative tenets employed over twelve years have resulted in a since-inception annualized return of 6.54% coupled with lower volatility – as demonstrated by a sub-4% standard deviation – risk adjusted returns well in line with our stated long-term performance objectives.

As we come into a new year, we see reasons for optimism. Cap and discount rates, critical valuation metrics utilized by buyers, sellers and appraisers, reversed their nearly 15 year decline in the first quarter of 2022 (triggered by the Fed's first rate increases). Now, two years later – there are signs that we are at or near the start of a new cycle for real estate with some early evidence in transactions that capitalization and discount rates may be falling. Looking at real estate returns across prior cycles, capital willing to move back into the market early – before the “all clear” signs are visible to everyone – often finds an attractive investment environment with favorable prospects for generating above average long-term returns. These conditions make it an opportune time for investors to add to or begin allocating to core real estate.

Capturing these opportunities for our investors is our number one priority. We will do this by building on our Advisor's long-track record – nearly 50 years – of investing in core real estate – not as a market timer but as a research-led organization seizing on investment themes driven by fundamental analysis of markets, property sectors and demographic trends coupled with conservative underwriting by a team with decades of

“Occupancy remained strong, rental rates grew across our overweight property sectors, and year over year revenues exhibited near record growth.”

experience. We began some of this work last year and it continues as we enter the new year.

Softening real estate values coupled with higher interest rates have caused traditional sources of real estate debt and equity to either exit the market or significantly curtail lending and investing. This has created an attractive entry point for us to grow our portfolio which should enhance point forward investment performance. We anticipate fewer buyers for core real estate as several institutional open-end funds have exit queues and, in some cases, may be forced sellers. Similarly, real estate developers are faced with maturing construction loans and banks unwilling, or, in the case of many regional banks, unable to refinance those loans. Higher long-term fixed rates, given the 10-year Treasury seems to be stuck above 4%, also makes permanent financing alternatives unattractive.

In response to higher interest rates and fewer sources of debt for real estate, last year we began building an allocation to debt investments by originating a portfolio of senior secured floating rate first mortgage real estate loans. We closed three loans last year and have grown this allocation to approximately \$105 million. These floating rate loans are priced at attractive spreads to SOFR – the Secured Overnight Financing Rate – and provide us with a current yield in the range of 7% to 9% and should generate low double digit total returns. Given we are lending at a conservative 65% to 70% loan to value, there is significant borrower equity in the capital stack ahead of our loan. Further, we are lending on real estate within our highest conviction property sectors and on properties that are stabilized and cash flowing. These investments are originated by a team within LaSalle that has more than 20-years’ experience with over \$5 billion in loans. Given the highly accretive nature of these investments, we anticipate growing this allocation to 5 to 10% of our portfolio.

The Fed’s recent pause in rate increases, and signals of likely rate cuts later this year, should help property values recover in the back half of 2024. Once interest rates decline, we may see a recovery – ideally a decline in the cap and discount rate appraisal metrics, which has the potential to have the inverse effects on valuations that we saw last year. While we do not expect the Fed to return to a zero-interest rate policy, real estate valuations should see some recovery during a more normalized interest rate environment.

During 2022 and 2023, we invested approximately \$1.5 billion in new real estate investments – nearly all with no new leverage given that we chose to avoid putting negative leverage assets into our portfolio. This has

substantially deleveraged our overall loan to value ratio from the mid-40% range to now a 39% LTV ratio. As interest rates decline and the potential to leverage investments accretively returns – increasing our overall LTV should both enhance point forward returns and increase our capital base from which we can make new investments – ideally further growing the fund’s asset base, cash flow and NOI.

Recycling capital by selling lower yielding assets and reinvesting into investments with better point forward yields and total returns has the potential to generate higher returns for the overall fund. This strategy was demonstrated with our fourth quarter sale of an apartment community in Charlotte, NC. Given the property had attractive assumable fixed rate debt in place, we completed this disposition at an attractive price. The sale recycled \$35 million in capital that we reinvested at higher target returns through our private credit lending strategy. We believe we can replicate this recycling of capital with other assets sales in our portfolio.

With new capital from recycling assets and adding future leverage – along with fresh capital coming in from new investors and our growing DST program – investing in the current market environment given the general lack of available debt and equity should enhance point forward returns. Underwritten returns in the current environment are significantly better than we’ve seen since before the pandemic, for high-quality, stabilized real estate assets in better quality markets. We do not intend to move outside of our “core style box” to pursue distressed assets such as office buildings, malls or hotels. We intend to maintain the higher quality of our portfolio.

As an open-ended perpetual life real estate fund, JLL Income Property Trust will inevitably operate across a range of market cycles. We are not market timers. We are an all-cycle investment targeting a consistent and growing stream of income along with modest appreciation over the long-term. While 2023 was not without its challenges, we are excited about the opportunities ahead in 2024 as we enter what we believe to be the beginning of an attractive new real estate market cycle.

Thank you for your ongoing support and confidence in our team.

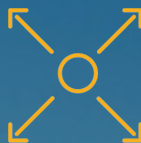


Allan Swaringen
President and Chief Executive Officer

Our investment objectives are:



Durable
Income



Broad
Diversification



Wealth
Preservation

Creekview Crossing, Sherwood, OR

Note: Property shown on this page is included in the JLL Income Property Trust portfolio.



Reminder: Vote your Shares

Please visit www.jllipt.com for the most up-to-date information on our portfolio, performance, and proxy voting schedule.

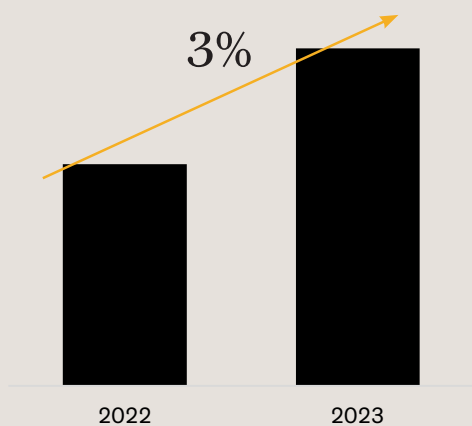
Vote online, over the phone, or through the mail.

Strong Portfolio Operating Performance

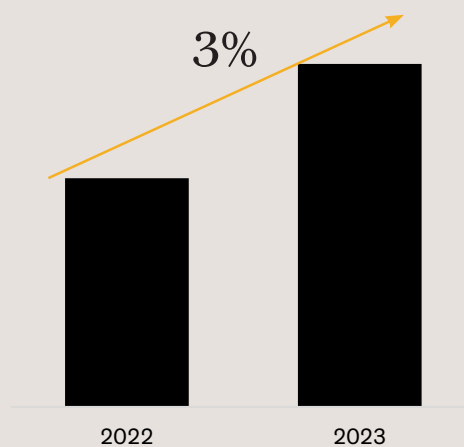
Despite elevated interest rates and capital markets dislocation in 2023, the JLL Income Property Trust portfolio continued to perform as expected, with growth across NOI, rents and revenue.



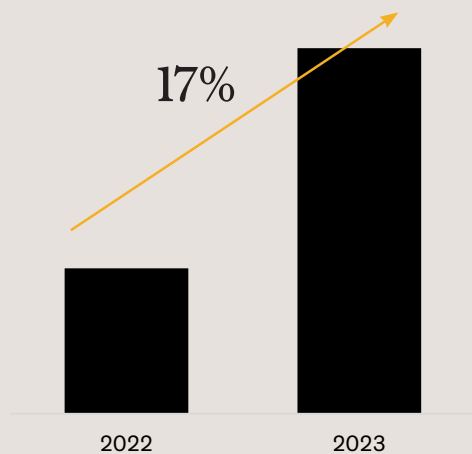
Same Store NOI Growth



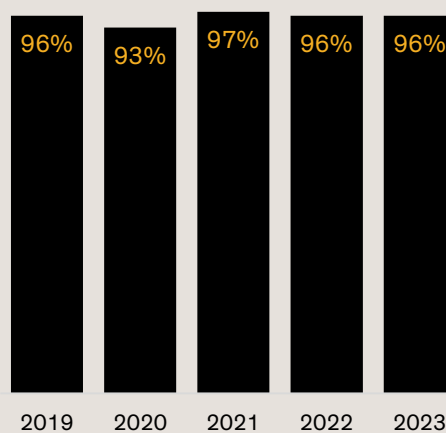
Same Store Rental Growth



Revenue Growth



Consistent High Occupancy

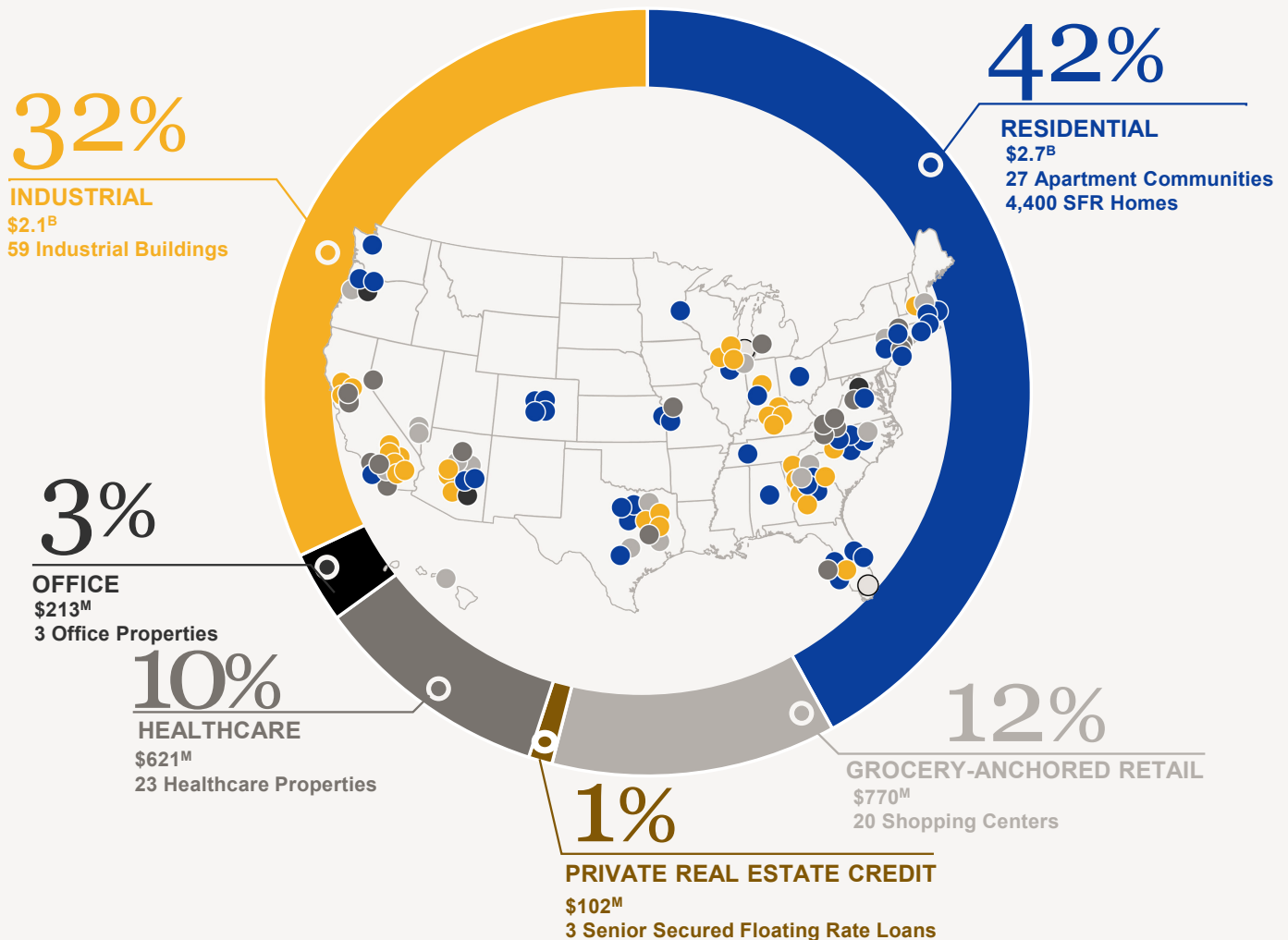
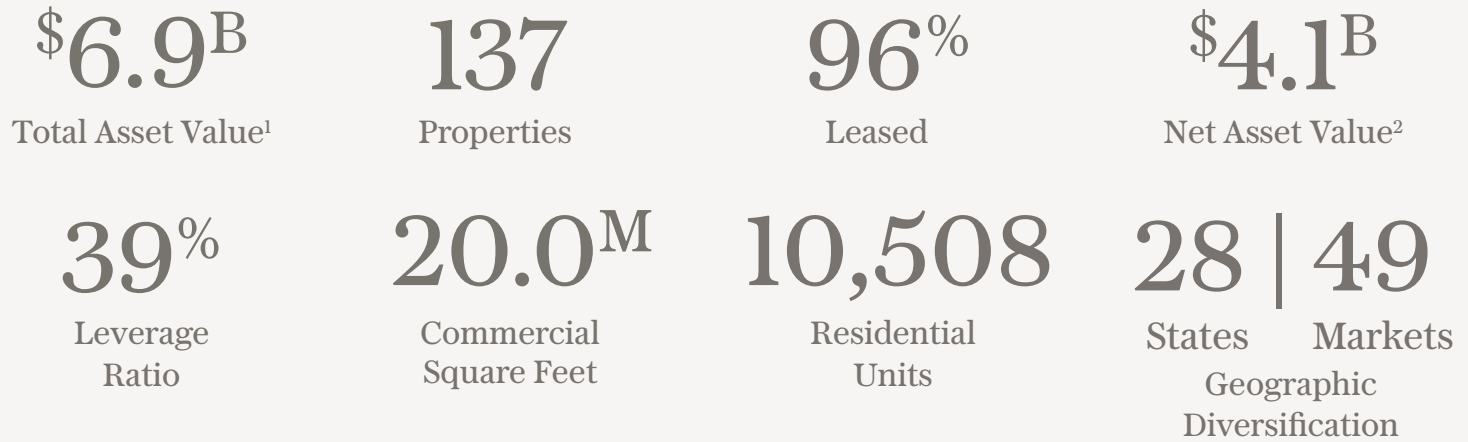


Data as of December 31, 2023.

Note: Property shown on this page is included in the JLL Income Property Trust portfolio.

Portfolio Summary

Our nearly \$7 billion portfolio is highly diversified by property type, geography and tenants, with strong operating fundamentals and a conservatively positioned balance sheet.



Source: JLL Income Property Trust as of December 31, 2023

¹ Total assets at fair value are reported at pro-rata share for properties with joint ownership.

² NAV includes company and minority owners equity interests.

2023 Investment Highlights



Louisville, KY - Louisville Logistics Center

Industrial



Austin, TX - Senior Secured Floating Rate Loan

Private Real Estate Credit



Charleston, SC - Senior Secured Floating Rate Loan

Private Real Estate Credit



Charlotte, NC - Senior Secured Floating Rate Loan

Private Real Estate Credit

Source: JLL Income Property Trust as of December 31, 2023.

Note: All properties pictured are investments in the JLL Income Property Trust portfolio.

2023 Achievements

Despite market dislocation in 2023 caused primarily by elevated interest rates, JLL Income Property Trust continued to add attractive investments, maintain a low leverage ratio and conservative balance sheet, and operate the portfolio efficiently to grow revenues.



Investment Portfolio

- Implemented private real estate credit allocation with over \$100 million of investments
- Added over 140 single family rentals
- Recycled capital through sale of apartment community in Charlotte, NC
- Added 8 properties through UPREIT transactions



Fortress Balance Sheet

- Conservative leverage ratio of just 39%
- 88% fixed-rate borrowings with a weighted-average interest rate of 4.1%
- Nearly \$250 million of capital for liquidity and future investing



Operating Results

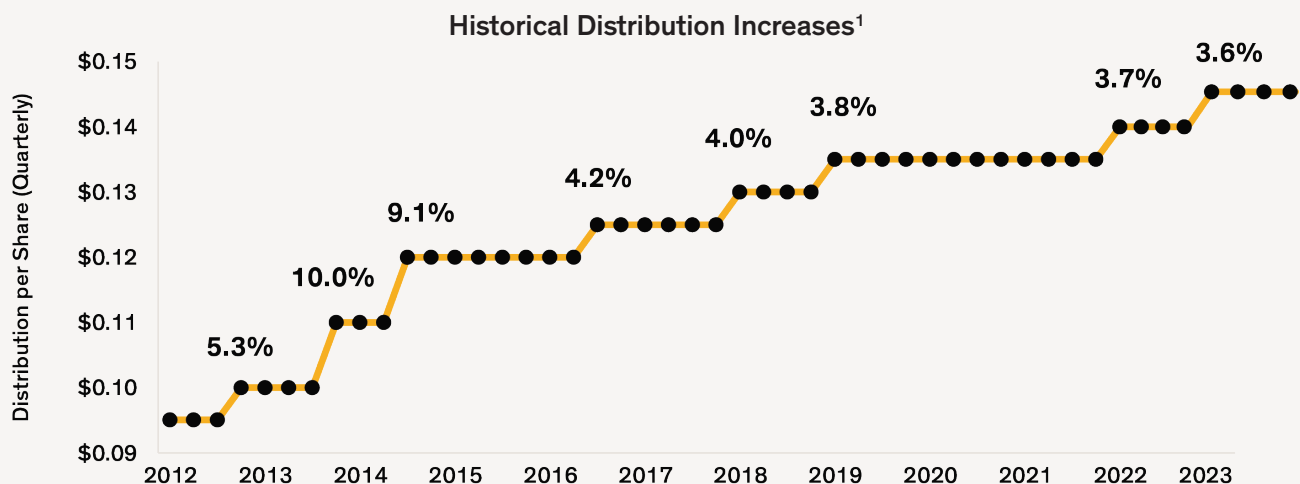
- 3% increase to same store Net Operating Income
- Grew revenues from \$337 million to \$394 million, a 17% percent increase over 2022
- Maintained 96% occupancy



Asset Management

- Completed over 1.6 million square feet of new and renewal leases
- Average rent increase of 26%
- Valuation advisor estimates in-place rents are in the range of 8% to 10% below current market rates – providing potential for further rent and NOI increases as those leases roll

Distribution Growth



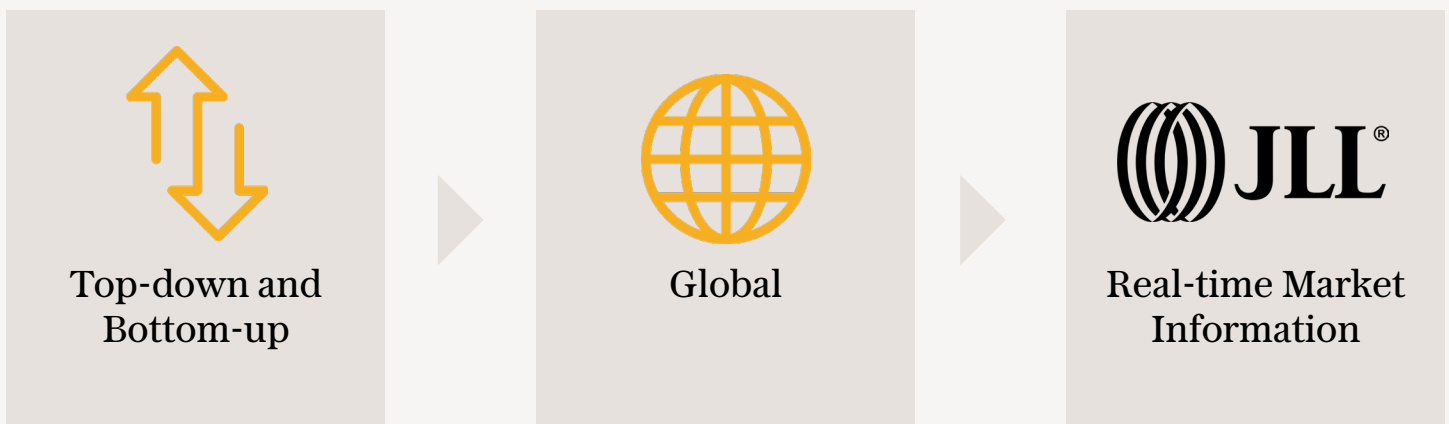
¹ Fees and expenses reduce cash available for distribution. Data as of December 31, 2023. Past performance is historical and not a guarantee of future results.

Research & Strategy Led Investing

A commitment to research and strategy led investing is a true differentiator for JLL Income Property Trust. More than 300 research team members across the JLL organization provide a wide range of proprietary data outputs to help us evaluate real estate markets, sectors and submarkets.



Global Research and Strategy



Board of Directors

Our board of directors – consisting of a majority of independent directors – helps to guide our long term corporate strategy, and oversee policies on governance, valuations and risk management. This diverse and accomplished group serves to represent the best interests of our stockholders.



Lynn Thurber

Director &
Chairman of the Board



R. Martel Day

Independent Director



Tamara Fischer

Independent Director



Jacques Gordon

Director



Kristy Heuberger

Director &
Co-Head of LaSalle Americas



Douglas Lindgren

Independent Director



William Sullivan

Independent Director



Allan Swaringen

Director & President &
Chief Executive Officer



Robin Zeigler

Independent Director

Commitment to Sustainability

We are actively pursuing opportunities to minimize resource use at our properties while enhancing our risk adjusted financial performance.

Investment performance

- Investment performance may be impacted by physical climate hazards as well as sustainability-related market and regulatory changes.

Value & Risk

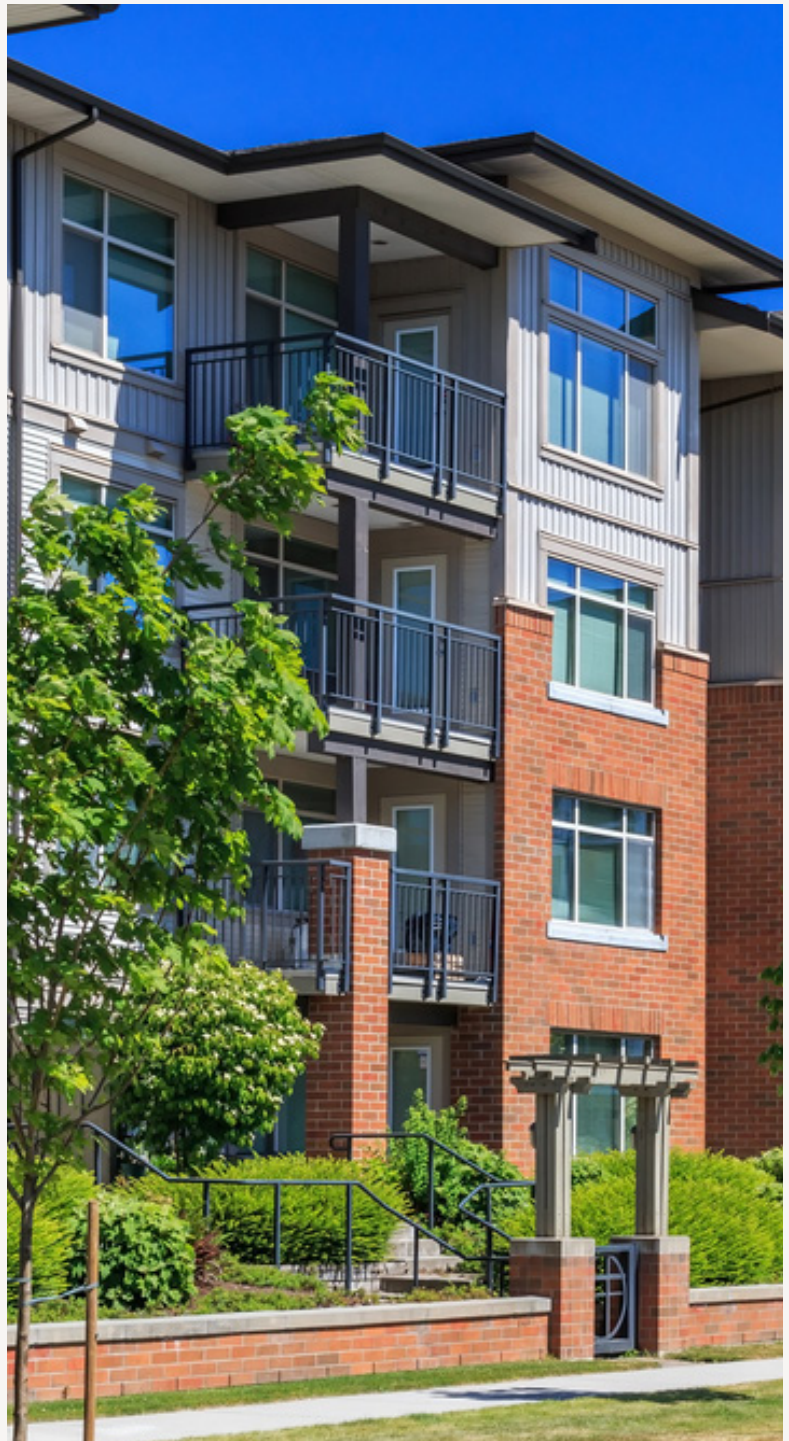
- Considering sustainability and climate risk factors in the investment process can help drive value or manage risk.

Carbon reduction

- To be best prepared for long-term trends, we seek to reduce carbon impact for the landlord-controlled energy in our properties.

Investment process

- We integrate these factors in our portfolio construction, acquisitions and asset management activities, resulting in a tailored approach to each asset.



In doing well while doing good, we at JLL Income Property Trust believe sustainability is a true value driver and risk protector - not just a slogan.

Because we prioritize activities that enhance financial performance, the Fund cannot guarantee achievement of our sustainability objectives.

*For LaSalle's investment purposes, sustainability is defined as resource use. This is primarily energy and carbon, but may also include water and waste

Important Notice Disclosure: Webpage Disclosure: Please refer to LaSalle's sustainability webpage for more information: <https://www.lasalle.com/impact/>.

Awards and Recognition



G R E S B

★ ★ ★ ☆ ☆ 2023



Pensions & Investments
Best Place to Work in
Money Management,
8th consecutive year



Demonstrates commitment
to transparency in gender-
related data reporting



Demonstrates commitment
to transparency in gender-
related data reporting



In 2023, LaSalle achieved
a 4-Star rating in Policy
Governance and Strategy



World's Most Ethical
Companies, Ethisphere
Institute, 17th consecutive year

**Awards and recognition received by JLL Income Property Trust,
our sponsor JLL, and our advisor LaSalle.**

Source: LaSalle Investment Management and JLL as of March 5, 2024.