JLL INCOME PROPERTY TRUST

JUNE 2025

Port in the Storm: Core Real Estate's Opportunities

During seasons of macroeconomic uncertainty and market fluctuations, it can be difficult to discern which asset classes will emerge from a turbulent season in favor and which will suffer the impacts of ever-changing economic policies. Though no investment is ever certain, we believe private, core real estate may be a beacon of stability where other asset classes may create investor anxiety. A portfolio of high-quality, well-located properties with strong tenant profiles can offer investors an income stream with the potential to grow over time, acting as both an inflation hedge and a proposition for long-term growth. In a market dictated by inflation, the diverse income streams, rent adjustments, and increases in replacement costs for core real estate can provide natural protection against its eroding effects. The necessity of real estate can create fundamental demand resilience, a valued commodity in an investment vehicle. While publicly traded securities often experience pronounced swings during uncertain times, private core real estate tends to demonstrate lower correlation to public market movements, which can be an attractive option for an investor seeking diversification.

DIVERSIFIED INCOME STREAMS

Because of real estate's essential nature, its tenant base is inherently diverse across both geography and property sectors, and diverse income streams can decrease a portfolio's overall level of risk. However, even the public real estate market can be impacted by cycles. In contrast, private real estate's lower-leverage, stable asset selections may provide a safer harbor in a "sea of red" during volatile seasons. JLL Income Property Trust's core real estate portfolio is constructed with the aim of providing stability during periods of volatility, seeking to provide our investors with opportunity for long-term growth. Many of our leases are with established, credit-quality tenants that generally provide steady income, and also act as an inflation hedge given the contractual annual increases, which can sometimes range between 2% and 4%. Residential properties also may provide the ability to reset leases to market rates annually, which can help drive value and offset inflation.

SECTOR IMPACTS

Core real estate typically consists of low-risk, low-leverage, stabilized assets in property sectors such as residential, industrial, and grocery-anchored retail. The impact of global macroeconomic policies can vary across these real estate sectors. For example, while the recent tariffs and shifts in trade policy could create risk exposure for the industrial sector, port markets driven by trade are at a higher risk than inland facilities. As the cost of replacement materials and labor increases and immigration slows, new development decreases, driving demand for high-quality properties, and providing opportunity for existing owners like JLL Income Property Trust. In the retail sector, centers with a high concentration of soft and luxury goods are at a higher risk of underperforming in the current environment, based on increasing material costs and tariffs. Conversely, we own necessity retail like grocery-anchored shopping centers. Properties like medical outpatient facilities and residential apartments are generally less at risk, given that their demand drivers are less impacted by economic cycles or trade policies. Our research-driven investment process focuses on properties that tend to be better insulated from economic shocks, with the aim of bolstering our ability to provide consistent income. Our active management style reexamines these sector allocations as the market shifts, to examine whether we are well positioned in any environment.

LONGER CYCLE

Unlike publicly traded stocks, private real estate transactions take months, not seconds, resulting in valuations based on long-term economic perspectives rather than reactions to daily news cycles. Near-term supply imbalances in the market are often the result of development decisions made years earlier. This gives a core real estate portfolio more time to benefit from an entire market cycle. Historically, during recessions, real estate valuations typically experience an initial negative impact due to lowered cash flow expectations and increased risk premiums. However, the declining interest rates that often accompany recessions can partially offset these negative effects over time. Core real estate's performance tends to be more aligned with market fundamentals than other asset classes, so paying attention to these longer-term trends can support a core real estate portfolio.

When we examine the market dynamics of the past two years, we are optimistic that the real estate market is entering a recovery phase after reaching a bottom last year. With the Federal Reserve beginning to cut rates as of late 2024, the major headwinds seem to be subsiding.[1] Since historically, periods of valuation correction have been followed by periods of growth in real estate, we believe that improving fundamentals, peaking vacancy rates, and declining new supply signal future growth for the asset class. Although policy uncertainty and overall market risk lie beyond an investor's control, we foresee a more favorable outlook for core real estate. Offering both stability against economic headwinds and the potential to capitalize on future growth, the asset class stands as a strategic cornerstone in a diversified portfolio. We believe the JLL Income Property Trust portfolio has already recognized the earlier effects of the downturn, and thus is poised for recovery, bolstered by our careful selection of these core, stabilized properties within our portfolio.

[1] https://www.bls.gov/news.release/cpi.nr0.htm

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SUMMARY OF RISK FACTORS

You should read the prospectus carefully for a description of the risks associated with an investment in JLL Income Property Trust ("JLLIPT"). Some of these risks include but are not limited to the following:

- Since there is no public trading market for shares of our common stock, repurchases of shares by us after a one-year minimum holding period will likely be the only way to dispose of your shares. After a required one-year holding period, JLLIPT limits the amount of shares that may be repurchased under our repurchase plan to approximately 5% of our net asset value (NAV) per quarter and 20% of our NAV per annum. Because our assets will consist primarily of properties that generally cannot be readily liquidated, JLLIPT may not have sufficient liquid resources to satisfy repurchase requests. Further, our board of directors may modify or suspend our repurchase plan if it deems such action to be in the best interest of our stockholders. As a result, our shares have limited liquidity and at times may be illiquid.
- The purchase and redemption price for shares of our common stock will be based on the NAV of each class of common stock and will not be based on any public trading market. Because valuation of properties is inherently subjective, our NAV may not accurately reflect the actual price at which our assets could be liquidated on any given day.
- JLLIPT is dependent on our advisor to conduct our operations. JLLIPT will pay substantial fees to our advisor, which increases your risk of loss. JLLIPT has a history of operating losses and cannot assure you that JLLIPT will achieve profitability. Our advisor will face conflicts of interest as a result of, among other things, time constraints, allocation of investment opportunities, and the fact that the fees it will receive for services rendered to us will be based on our NAV, which it is responsible for calculating.
- The amount of distributions JLLIPT makes is uncertain and there is no assurance that future distributions will be made. JLLIPT may pay distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital, offering proceeds and advances of the deferral of fees and expense reimbursements. Our use of leverage increases the risk of your investment. If JLLIPT fails to maintain our status as a REIT, and no relief provisions apply, JLLIPT would be subject to serious adverse tax consequences that would cause a significant reduction in our cash available for distribution to our stockholders and potentially have a negative impact on our NAV.
- While JLLIPT's investment strategy is to invest in stabilized real estate properties diversified by sector with a focus on providing current income to investors, an investment in JLLIPT is not an investment in fixed income. Fixed income has material differences from an investment in a non-traded REIT, including those related to vehicle structure, investment objectives and restrictions, risks, fluctuation of principal, safety, guarantees or insurance, fees and expenses, liquidity and tax treatment.
- Investing in real estate assets involves certain risks, including but not limited to: tenants' inability to pay rent; increases in interest rates and lack of availability of financing; tenant turnover and vacancies; and changes in supply of or demand for similar properties in a given market.
- You should carefully review the "Risk Factors" section of our prospectus for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
- This sales material must be read in conjunction with the prospectus in order to fully understand all the implications and risks of the offering of securities to which it relates. This sales material is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus.
- Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time.
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FORWARD-LOOKING STATEMENT DISCLOSURE

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