

Our Institutional Valuation Methodology



JLL Income Property Trust offers individual investors access to an income-generating, diversified portfolio of equity and debt real estate investments. Our sponsor, Jones Lang LaSalle Incorporated (“JLL”), is one of the largest real estate service companies, providing us with unique access to local market insight and expertise in markets across the world, while our advisor, LaSalle Investment Management, is a global institutional real estate investment management firm with more than 40 years of investing experience. This heritage brings strong institutional practices to JLL Income Property Trust – from our research and strategy led investing process, to a more investor-friendly fee structure, and to the way in which transparency and more frequent independent valuations guide the methodology in calculating and reporting our Net Asset Value (NAV).

NAV per share is defined as the value of an investment fund’s assets less its liabilities, divided by the number of shares outstanding. For NAV REITs, that NAV per share is the price at which new shares in the company are purchased or redeemed. The topic of NAV has come into the spotlight in the industry of late as different funds utilize different practices to calculate and report their NAVs.

NAV calculations are not governed by governmental or independent securities, financial or accounting rules or standards, and there are no accounting rules or standards that dictate which components should be used in calculating NAV. Each individual sponsor determines its own NAV methodology, and because of these differences, it is important to ask your NAV REIT partners how they determine this critical metric. Is their valuation methodology truly independent, or does the management team have some ability to influence NAV?

Institutional Methodology

JLL Income Property Trust’s board of directors, including a majority of our independent directors, has adopted valuation guidelines that contain a comprehensive set of practices to be used in connection with the calculation of our NAV. The overarching principle of these guidelines is to produce a valuation that represents a fair and accurate estimate of the value of our investments or the price that would be received for our investments in an arm’s-length transaction between market participants. These valuation guidelines are largely based upon standard industry practices used by institutional, open-end real estate funds and are administered by our advisor and, with respect to the valuation of our properties, our independent valuation advisor.

Frequent Revaluations

Unlike many NAV sponsors that calculate their NAV on a monthly basis, JLL Income Property Trust is a daily NAV REIT, meaning that our NAV for each share

class is calculated daily on business days in which the New York Stock Exchange is open for trading. That equates to approximately 250 days per year – removing weekends and holidays – where our NAV is published, leading to much greater pricing transparency than our monthly NAV REIT peers, which calculate and publish NAV just 12 times per year, and likewise only accept purchases or share redemptions at those 12 price points annually.

Independent Appraisals

All of the properties in the JLL Income Property Trust portfolio are independently appraised at least once per quarter. Newly acquired properties are initially valued at cost and join the quarterly appraisal cycle during the next quarter after acquisition. Appraisal factors include analysis of current capitalization and discount rates and cash flows expected to be generated from the property, which feed into a detailed discounted cash flow analysis, while also taking into account comparative transactions in the same property types and geographic

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markets as the property being appraised.

Changes in our daily NAV reflect factors including, but not limited to, portfolio income, interest expense, gains and/or losses on properties being externally appraised and accruals for fees and share class specific expenses. Following the allocation of income and expenses, the NAV for each share class is adjusted for additional issuances of stock, repurchases and class-specific expense accruals to determine the current day's NAV.

The valuation of the portfolio's properties is managed by an independent valuation advisor, SitusAMC, one of the longest-serving commercial real estate research, valuation and consulting firms in the nation with offices throughout the United States. SitusAMC provides regular valuations on over \$500 billion of real estate across all U.S. property markets and sectors. The compensation paid to SitusAMC is based on the number of properties and is not based on the values of properties. SitusAMC has the final decision on all valuations and reports directly to JLL Income Property Trust's majority independent board of directors – making this a truly independent valuation process.

ALPS Fund Services, Inc. serves as a third party fund administrator, and independently calculates the NAV on a daily basis. Once reviewed and approved, that NAV is published on JLL Income Property Trust's website each day at www.jllipt.com.

Debt Mark to Market

One important factor to note is that JLL Income Property Trust does not value its borrowings, a process often referred to as debt mark to market – a practice that many NAV REITs employ. Instead, our borrowings are held constant at the borrowed loan amount – the principal balance that will actually be repaid at the loan's maturity date. Marking debt to market based upon interest rate movements over time has the

potential to understate a fund's leverage and LTV ratio and overstate net asset values given the rising interest rate environment over the past two years.

As an example of debt mark to market, let's assume that a fund owns a \$100 million property with a \$50 million ten-year mortgage that has a 3% interest rate. In this scenario, the fund owns 50 million in equity and has 50% leverage. Using this example, assume now that market interest rates rise to 6%. Using debt mark to market, the fund would value its debt at \$39 million rather than \$50 – reflecting now a \$61 million equity stake with 39% leverage on the property, even though the fund still owes the full \$50 million to its lender.

That mark to market calculation – which is an illusory paper gain – has the effect of potentially increasing that fund's NAV, which impacts the price at which shares are sold, the price at which stockholders might redeem shares, and potentially increases the incentive fees earned by the fund. While debt valuation is often a hotly debated topic in institutional circles during periods of volatile interest rate movements, we believe it has the potential to misrepresent the underlying real estate values within a fund. Since loans are ultimately repaid at their face value on the maturity date, debt mark to market may represent temporary valuation adjustments that are seldom realized.

Appraisal Based Methodology - Proof Point

As a proof point for our independent, quarterly appraisal-based valuation methodology – an institutional approach quite different from competitors in the NAV REIT industry – since 2013 JLL Income Property Trust has sold properties every year aggregating over \$1 billion in dispositions across 46 properties. Each of those arms-length dispositions closed at a price within 2% of the investment's most recent third-party appraised value.

This communication may contain forward-looking statements. Forward-looking statements are statements that are not descriptions of historical facts and include statements regarding management's intentions, beliefs, expectations, research, market analysis, plans or predictions of the future. Because such statements include risks, uncertainties and contingencies, actual results may differ materially from those expressed or implied by such forward-looking statements.

This report is current as of the date noted, is solely for informational purposes, and does not purport to address the financial objectives, situation, or specific need of any individual reader. Opinions and estimates expressed herein are as of the date of the report and are subject to change without notice. Neither the information nor any opinion expressed represents a solicitation for the purchase or sale of any security. Economic or financial forecasts are inherently limited and should not be relied on as an indicator of future investment performance. Past performance is no guarantee of future results. The returns shown in this document are intended to represent investment results for the Company for the period stated and are not predictive of future results. Nothing herein should be construed as a solicitation of clients, or as an offer to sell or a solicitation of an offer to invest in the Company. Such investments may be offered only pursuant to a prospectus. Certain information herein has been obtained from public and third party sources and, although believed to be reliable, has not been independently verified and its accuracy, completeness or fairness cannot be guaranteed.

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. 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 commercial 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 commercial 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.
- ▶ This material is not to be reproduced or distributed to any other persons (other than professional advisors of the investors or prospective investors, as applicable, receiving this material) and is intended solely for the use of the persons to whom it has been delivered.

FORWARD-LOOKING STATEMENT DISCLOSURE

This literature contains forward-looking statements within the meaning of federal securities laws and regulations. These forward-looking statements are identified by their use of terms such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," "will," and other similar terms, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors that may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. These risks, uncertainties, and contingencies include, but are not limited to, the following: our ability to effectively raise capital in our offering; uncertainties relating to changes in general economic and real estate conditions; uncertainties relating to the implementation of our investment strategy; and other risk factors as outlined in our prospectus and periodic reports filed with the Securities and Exchange Commission. Although JLLIPT believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviation will not be material. JLLIPT undertakes no obligation to update any forward-looking statement contained herein to conform the statement to actual results or changes in our expectations.

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