

# 2022 Year in Review

## To Our Valued JLL Income Property Trust Stockholders

This past year was a tale of two halves. 2022 started out with continued strong fundamentals and a supportive macroeconomic environment. However, the Federal Reserve's actions to mitigate inflation resulted in significant interest rate hikes in the second half of 2022 that increased borrowing rates, impacted transaction volume, and softened valuation metrics, particularly in out of favor property sectors such as office, hospitality, and malls – sectors that, fortunately, are not within our primary target investment strategy.

Despite some of these macroeconomic headwinds, we are pleased to report JLL Income Property Trust had strong annualized performance of 10% in 2022, of which 3.9% consisted of income. We are extremely proud to have continued to deliver on our founding investment objectives of generating attractive tax-efficient income for distribution to stockholders, investing conservatively across different market cycles and enabling the use of real estate as a component of long-term portfolio diversification for individuals consistent with strategies employed by sophisticated institutional investors. Additionally, in times of inflationary pressures, real estate has historically served as a hedge against inflation, and we are proud to play that role in diversified investment portfolios.

By the end of 2022, our portfolio reached \$7.1 billion in assets, with 137 properties diversified across 27 states and 45 markets, comprising over 19.1 million commercial square feet and nearly 10,600 residential units. Our portfolio is currently 74% weighted to industrial and residential, two high-performing sectors we believe have the most inflation-hedging ability. We believe our core investment thesis is validated by the portfolio being 96% leased.

To further strengthen our balance sheet in anticipation of multiple possible market scenarios, we reduced our overall leverage ratio from 42% at the end of 2021 to 36% at

Distribution payments are not guaranteed and may be modified at the Company's discretion. The amount of distributions JLLIPT may make is uncertain. JLLIPT may pay distributions from sources other than operational cash flow, including, without limitation, the sale of assets, borrowings, or offering proceeds. The advisor may defer reimbursements and fees otherwise due, in order to pay these distributions, and when these amounts are paid back to the advisor, that will result in a decrease in cash flow from operations. To date, cumulative distributions have been funded by cash flow from operations.

This sales and advertising literature is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus. **This literature must be read in conjunction with the prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of the prospectus must be made available to you in connection with any offering.** No offering is made except by a prospectus filed with the Department of Law of the State of New York. Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of our common stock, determined if the prospectus is truthful or complete, or passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense. A copy of the prospectus for JLL Income Property Trust (JLLIPT or IPT) offering can be obtained or viewed at [www.jllipt.com](http://www.jllipt.com). LaSalle Investment Management Distributors, LLC, an affiliate of Jones Lang LaSalle Incorporated and LaSalle Investment Management Distributors, LLC, an affiliate of JLL Incorporated and LaSalle Investment Management, Inc., is the dealer manager for this offering and is a member of FINRA and SIPC.

<sup>1</sup> Past performance is no guarantee of future results. Performance returns reflect reinvested distributions and changes in the NAV per share. Returns are net of all management fees (e.g. fixed and performance advisory fees), company expenses (e.g. administration, organization, legal and accounting fees, and transaction expense), dealer manager fees and include capital gains and other earnings. See share class specific and management fees in the prospectus. The returns have been prepared using unaudited data and valuations of the underlying investments in the Company's portfolio, which are done by our independent valuation advisor. Valuations based upon unaudited or estimated reports from the underlying investments may be subject to later adjustments or revisions.

Total Return is calculated as the percent change in the net asset value ("NAV") per share from the beginning of the applicable period, plus the amount of any net distribution per share declared in the period. Total return is not a measure used under generally accepted accounting principles in the United States ("GAAP"). Returns greater than one year are annualized. For the year ended December 31, 2021, JLLIPT reported GAAP Net Income of \$49.1 million.

# 2022 Key Highlights

**9.27%**<sup>1</sup>  
YTD Total Return  
For Class A

**7.27%**<sup>1</sup>  
10-Year Since Inception  
For Class A

**9.97%**<sup>1</sup>  
YTD Total Return  
For Class M-I

**8.57%**<sup>1</sup>  
10-Year Since Inception  
For Class M-I

**\$1.0<sup>B</sup>**  
New Investments

**44<sup>th</sup>**  
Consecutive  
Quarterly Distribution

year-end 2022. Our conservative leverage strategy, which primarily utilizes long-term fixed rate financing, has proven resilient in the current market conditions, and gives us significant future buying power as market conditions continue to evolve.

We acquired 24 properties in 2022 totaling nearly \$1 billion, approximately 75% of which were in our preferred sectors of residential and industrial. All acquisitions in 2022, except for one loan assumption we completed in connection with an acquisition, have been funded on an all-cash basis. We believe our continued focus on liquidity and low leverage gives us a competitive advantage as we seek to invest in the coming months at better prices and with fewer competitors.

Our fourth quarter return was -2.7%, consisting of 1.0% income return and -3.6% appreciation return.<sup>1</sup> As capital market rates started to widen throughout the year, strong property fundamentals and rent growth were able to initially offset these effects. Capital market rates outpaced rent growth in the fourth quarter, however, reflected in the negative quarterly valuation results. As we look forward to 2023, we are optimistic about the IPT portfolio and prospects for future growth. In-place rents in our portfolio are 9% below market rents, providing room for rent and NOI growth as new leases are signed. Our valuation methodology, relying on independent third-party appraisals, is what we believe the most transparent and institutional process in the NAV REIT industry. Each property in our portfolio is appraised on a quarterly basis by our independent valuation advisor, SitusAMC, and any changes in property value are reflected immediately in our daily share price.

JLL Income Property Trust also continues to meet its objective of providing reliable cash flow, paying 44 consecutive quarterly distributions since inception, increasing our distribution for a seventh time in the first quarter of 2022, with a historical average annual distribution increase of 3.7%.

We are particularly pleased that, during a volatile market environment, we were able to honor all redemption requests received through our Share Repurchase Plan in 2022. Consistent with prior years, we saw increased redemptions in the fourth quarter due to tax planning and reallocations, however, redemptions in the fourth quarter were 40% below our maximum capacity of \$181 million. Our Share Repurchase Plan offers daily liquidity, subject to a one-year holding period and limited to 5% of the prior quarter's NAV. Share repurchases for the first quarter of 2023 are limited to approximately \$175 million.

🎉 ***This year marked the ten-year anniversary of JLL Income Property Trust, making it the longest-tenured daily NAV REIT in the industry.***

*Allan Swaringen | President and Chief Executive Officer* 💬

We are proud of our decade-long track record of delivering consistent, attractive total returns while focusing on core, stabilized, lower-risk investments. Further, our stockholders experience of receiving nearly 80% tax advantaged income over ten years is, in our opinion, a validation for the benefits of a core commercial real estate program.

As the current market environment continues to evolve, we remain focused on delivering our targeted investment performance, while also supporting the communities in which we work and invest. While we are not a market timing vehicle, but rather a long-term conservative real estate investor, times of market upheaval such as these should provide a tremendous opportunity to add to our portfolio at attractive prices. We continue to favor industrial, residential, and healthcare sectors given the strong underlying property market dynamics of very little new supply, slowed construction pipelines and record low vacancy rates. We will continue to focus on the best long-term value creating opportunities in alignment with our core investing principles by investing in high-quality, well-located, essential use real estate that over the long term outperforms across market cycles and can be a durable source of income and a store of wealth.

We thank you again for your ongoing support and look forward to providing you with timely and consistent updates throughout the coming year.

Sincerely,



Allan Swaringen | President and Chief Executive Officer

<sup>1</sup> Refer to Footnote 1 on page 1.





# Portfolio Summary

December 2022

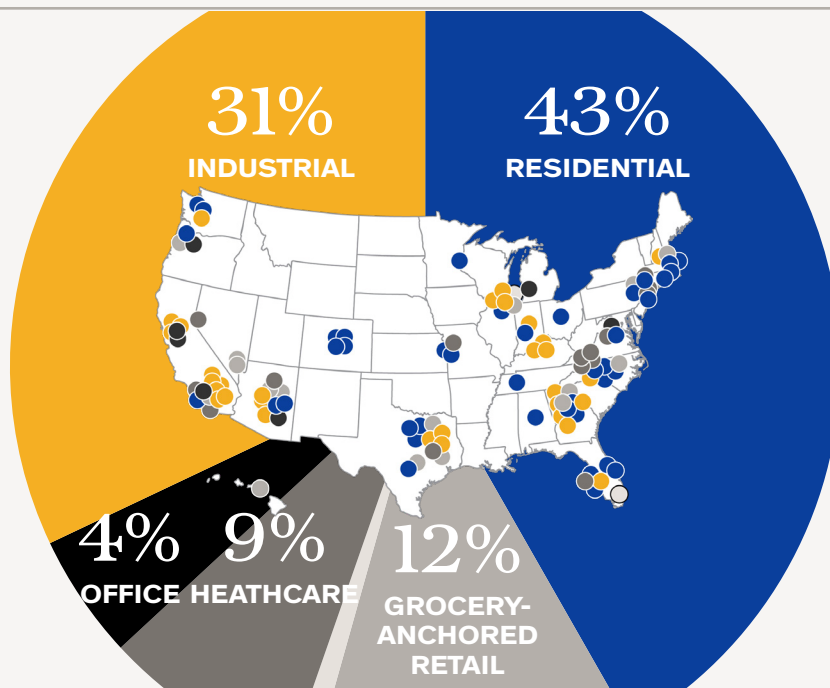
**\$7.1** Billion AUM

**137** Properties

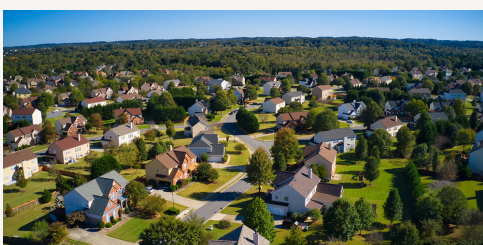
**27** States

**96%** Occupancy

**36%** Leverage



## Investment Highlights



**Single-Family Rental** **\$500M**  
Portfolio II  
Residential



**Silverado Square** **\$24.4M**  
Grocery-Anchored Retail



**Northeast Atlanta** **\$54M**  
Distribution Center  
Industrial



**Cedar Medical Center** **\$17.2M**  
Healthcare

Source: JLL Income Property Trust.

All statistics as of as of December 31, 2022.

Note: All properties pictures are included in the JLL Income Property Trust portfolio.

# 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 or offering proceeds. 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.
- ▶ JLLIPT may be subject to adverse legislative, regulatory, or administrative and judicial interpretative changes concerning taxes, which could increase its tax liability, reduce its operating flexibility and reduce the price of JLLIPT's common stock. Such changes may be enacted with retroactive effect. We cannot assure you that any such changes will not adversely affect the taxation of JLLIPT's stockholders. Any such changes could have an adverse effect on an investment in JLLIPT or on the market value or the resale potential of JLLIPT's assets. You should consult with your tax advisor with respect to the impact of any legislative, regulatory, or administrative and judicial interpretive changes concerning taxes on your investment in JLLIPT and the status of legislative, regulatory or other tax developments and proposals and their potential effect on an investment in shares of JLLIPT's common stock.

## 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.

### NAV CALCULATION AND RECONCILIATION

This sales material contains references to our NAV. NAV is calculated in accordance with the valuation guidelines approved by our board of directors. NAV is not a measure used under generally accepted accounting principles in the United States ("GAAP"), and you should not consider NAV to be equivalent to stockholders' equity or any other GAAP measure. As of September 30, 2022, our NAV per share was \$14.92, \$14.93, \$14.94, \$14.90 and \$14.90 per Class M-I, Class M, Class A-I, Class A and Class D shares, respectively, and total stockholders' equity per share was \$9.25, \$9.26, \$9.26, \$9.24 and \$9.24 per Class M-I, Class M, Class A-I, Class A and Class D shares, respectively. For a full reconciliation of NAV to stockholders' equity, please see the "Management's Discussion and Analysis of Financial Condition and Results of Operation—Net Asset Value" section of our annual and quarterly reports filed with the SEC, which are available at <http://jllipt.com/sec-filings>. For information on how we calculate NAV, see the "Net Asset Value Calculation and Valuation Guidelines" section of our prospectus. This literature must be read in conjunction with the prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of the prospectus must be made available to you in connection with any offering. No offering is made except by a prospectus filed with the Department of Law of the State of New York. Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of our common stock, determined if the prospectus is truthful or complete, or passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense. A copy of the prospectus for the JLL Income Property Trust offering can be obtained or viewed at [www.jllipt.com](http://www.jllipt.com).

Copyright © 2023 Jones Lang LaSalle Income Property Trust, Inc. All rights reserved. No part of this publication may be reproduced by any means, whether graphically, electronically, mechanically or otherwise howsoever, including without limitation photocopying and recording on magnetic tape, or included in any information store and/or retrieval system without prior permission of Jones Lang LaSalle Income Property Trust, Inc.

This information is distributed by LaSalle Investment Management Distributors, LLC ("LIMD"). LIMD (member FINRA/SIPC) is an affiliate of JLL and the dealer manager for the JLLIPT offering. For more information on this research presentation, please call 855-823-5521.