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PRINCIPAL REAL ESTATE INVESTORS

CITY OF BURLINGTON EMPLOYEES' RETIREMENT SYSTEM • MAY 2016

JOHN BERG

Managing Director, Portfolio Management

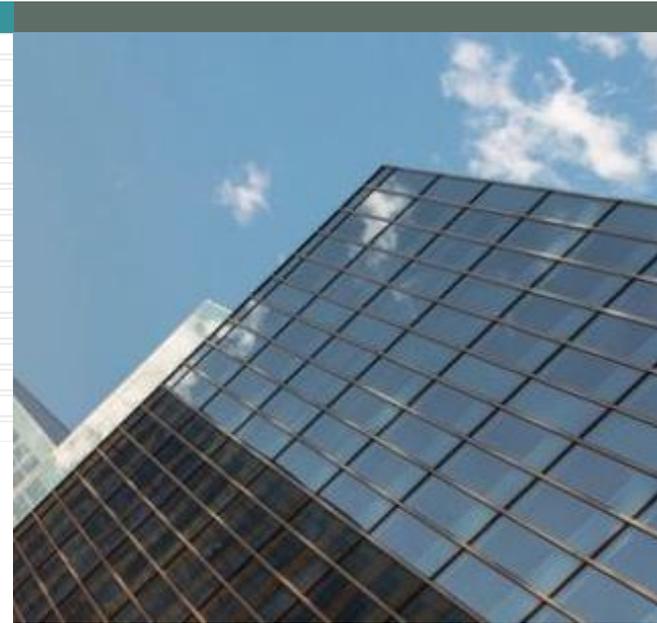
MICHELLE FANG

Senior Director



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PRINCIPAL REAL ESTATE INVESTORS

FOUR QUADRANT REAL ESTATE PLATFORM

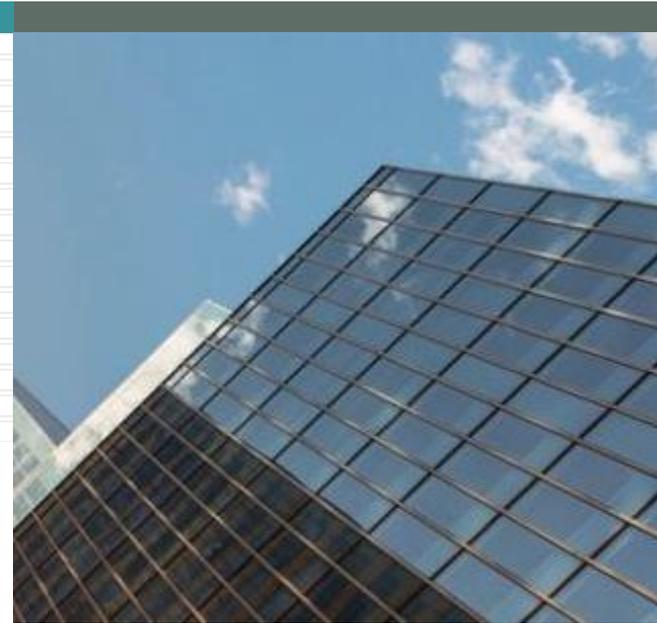
- \$66.2 billion¹ in real estate assets under management
- Draw from six decades of real estate investment experience²
- In-depth coverage of over 45 U.S. metropolitan real estate markets
- Over 300 unaffiliated institutional clients
- Top 10 manager of real estate³



As of 31 March 2016. See Important Information page for AUM description.

¹Due to real estate assets managed by another affiliate, figures shown may not add to the total real estate AUM for Principal Global Investors. Includes assets managed by Principal Enterprise Capital, LLC. ²Experience includes investment activities beginning in the real estate investment area of Principal Life Insurance Company and continuing through the firm to present. ³Managers ranked by U.S. Institutional tax-exempt real estate assets (net of leverage), as of 30 June 2015. "Largest Money Managers", PENSIONS & INVESTMENTS, 19 October 2015.

PRINCIPAL U.S. PROPERTY ACCOUNT



The Principal U.S. Property Separate Account is an open-end, commingled real estate account available to retirement plans meeting the requirements for qualification under Section 401(a) of the Internal Revenue Code of 1986 (“Code”), as amended, and governmental plans meeting the requirements of Section 457 of the Code, as amended, since 1982. The Account is an insurance company separate account sponsored by Principal Life Insurance Company and managed by Principal Real Estate Investors.

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ACCOUNT OVERVIEW

KEY STATISTICS

31 March 2016

• Inception	Jan. 1982
• Gross Asset Value	\$8.84 billion
• Net Asset Value	\$6.72 billion
• Investments	147
• Institutional Investors >\$5 million	162
• Leverage Ratio ¹	21.8%
• Size	36.6 million sf
• Portfolio Occupancy ²	93.9%
• One Year Net Absorption	1,130,649 sf



1370 Avenue of the Americas
New York, NY

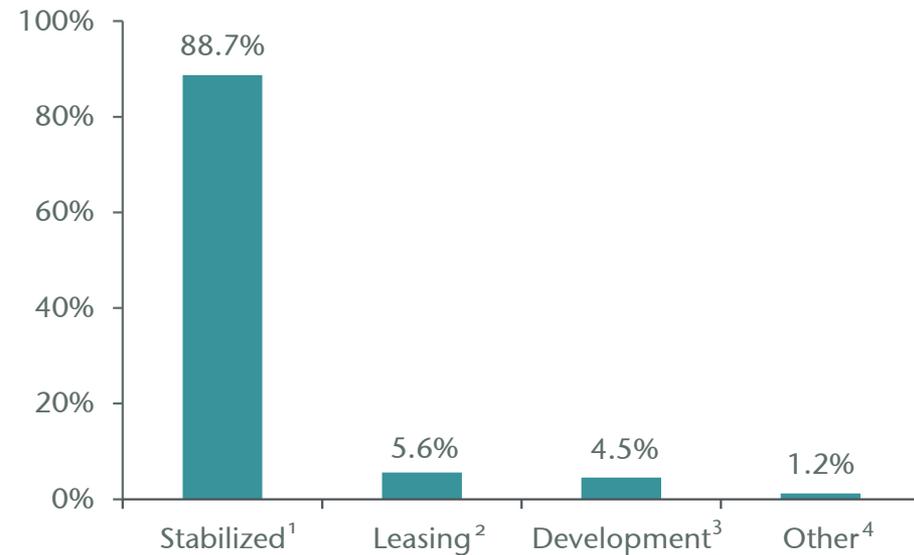
¹USPA share of total debt (both property and portfolio) divided by USPA share of total gross assets

²Occupancy excludes value-added assets which are acquired at less than 85% occupancy or are under development. Occupancy for the total portfolio is 91%. Properties shown are representative of the Account's current holdings.

2016 STRATEGIC THEMES

- High-quality infill portfolio
- Increase “same-store” NOI
- Effectively execute development and leasing within the non-core allocation
- Selective portfolio pruning of non-strategic assets

LIFECYCLE DIVERSIFICATION



As of 31 March 2016. Percentages reflect the Gross Asset Value of properties within each category.

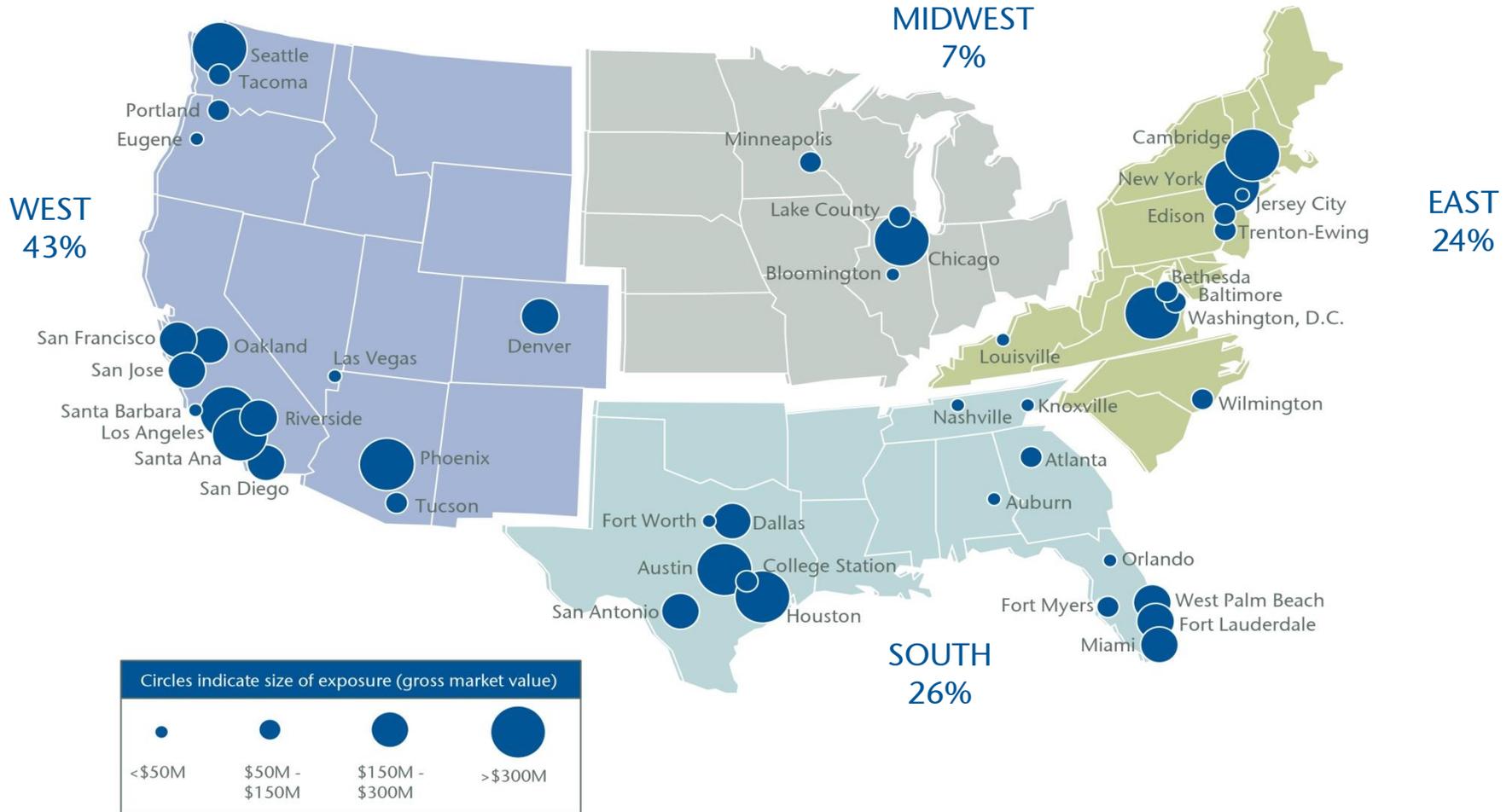
¹Portfolio minimum requirement of 85% in stabilized properties

²Properties acquired at less than 85% occupancy

³Portfolio maximum limit of 7.5% in development

⁴Land holdings and redevelopment

DIVERSIFICATION



All assets represented on a consolidated basis.
As of 31 March 2016

OFFICE

CURRENT POSITION

- Portfolio Weight – 42%
- NFI-ODCE Equal Weight – 39%¹

SECTOR STRATEGY

- Strategic Range – 35%-45%
- Reduce overweight position
- Major market, urban locations
- Execute build-to-core and lease-to-core



500 West Second Street
Austin, TX

As of 31 March 2016

¹As of 31 December 2015

Properties shown are representative of the Account's current holdings.

MULTIFAMILY

CURRENT POSITION

- Portfolio Weight – 21%
- NFI-ODCE Equal Weight – 25%¹

SECTOR STRATEGY

- Strategic Range – 15%-25%
- Own non-commodity properties
- Own purpose-built, campus-proximate student housing
- Execute build-to-core and lease-to-core



Landmark
Washington, D.C.

As of 31 March 2016

¹As of 31 December 2015

Properties shown are representative of the Account's current holdings.

INDUSTRIAL

CURRENT POSITION

- Portfolio Weight – 18%
- NFI-ODCE Equal Weight – 12%¹

SECTOR STRATEGY

- Strategic Range – 15%-20%
- Maintain overweight position
- Remain primarily in warehouse sub-sector
- Overweight in major distribution hubs



O'BRIEN DRIVE
San Francisco, CA

As of 31 March 2016

¹As of 31 December 2015

Properties shown are representative of the Account's current holdings.

TOP 10 ASSETS



PROPERTY	MSA	SECTOR	% OF GROSS REAL ESTATE ASSETS	OCCUPANCY	YEAR ONE ROLLOVER
1 Park Place	Santa Ana	Office/Retail/Land	4.2%	96.4%	1.4%
2 1370 Avenue of the Americas	New York	Office	3.9%	91.0%	3.5%
3 Energy Center	Houston	Office	3.7%	100.0% ¹	0.0%
4 Watermark Kendall East & West	Cambridge	Multifamily/Retail	3.2%	91.2%	N/A
5 Charles Park	Cambridge	Office	2.7%	97.1%	5.7%
6 Burbank Empire Center	Los Angeles	Retail	2.6%	100.0%	20.3%
7 112 at 12th Street	Seattle	Office	2.3%	70.6%	0.5%
8 J.W. Marriott Resort and Spa	San Antonio	Hotel	2.1%	69.7%	N/A
9 West Campus	Austin	Multifamily/Retail	2.0%	97.7%	N/A
10 150 Spear Street	San Francisco	Office	2.0%	100.0%	21.4%

As of 31 March 2016

¹Energy Center IV is 100% leased and is included in the Account's occupancy statistics. Energy Center V is under construction and is not included in the Account's occupancy statistics. Properties shown are representative of the Account's current holdings.

LEVERAGE HIGHLIGHTS

DEBT MATURITIES



COST OF DEBT

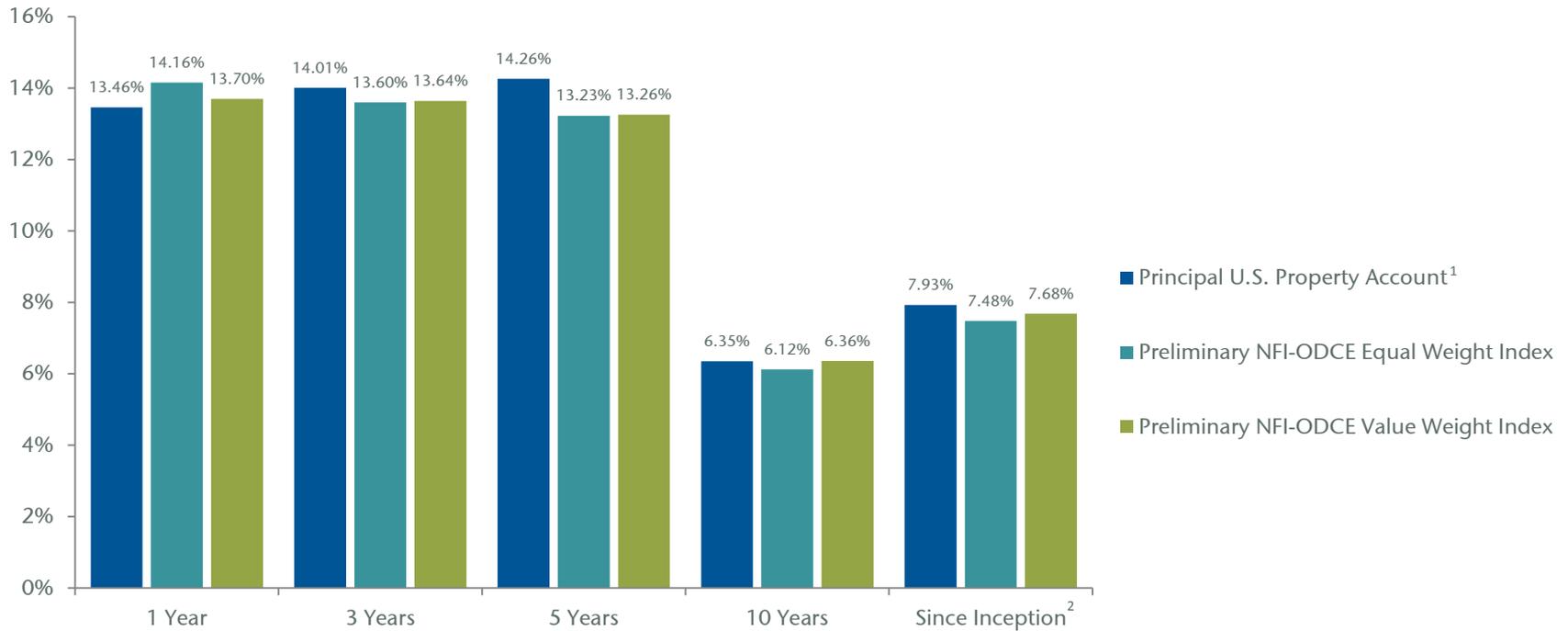
	Interest Rate	% of Total Debt
Fixed Interest Rate Obligations	3.77%	74%
Floating Interest Rate Obligations	2.61%	26%
Total Obligations	3.47%	100%

LINE OF CREDIT

Year	2016
Size (\$M)	\$400
Outstanding (\$M)	\$0

As of 31 March 2016

PERFORMANCE SUMMARY

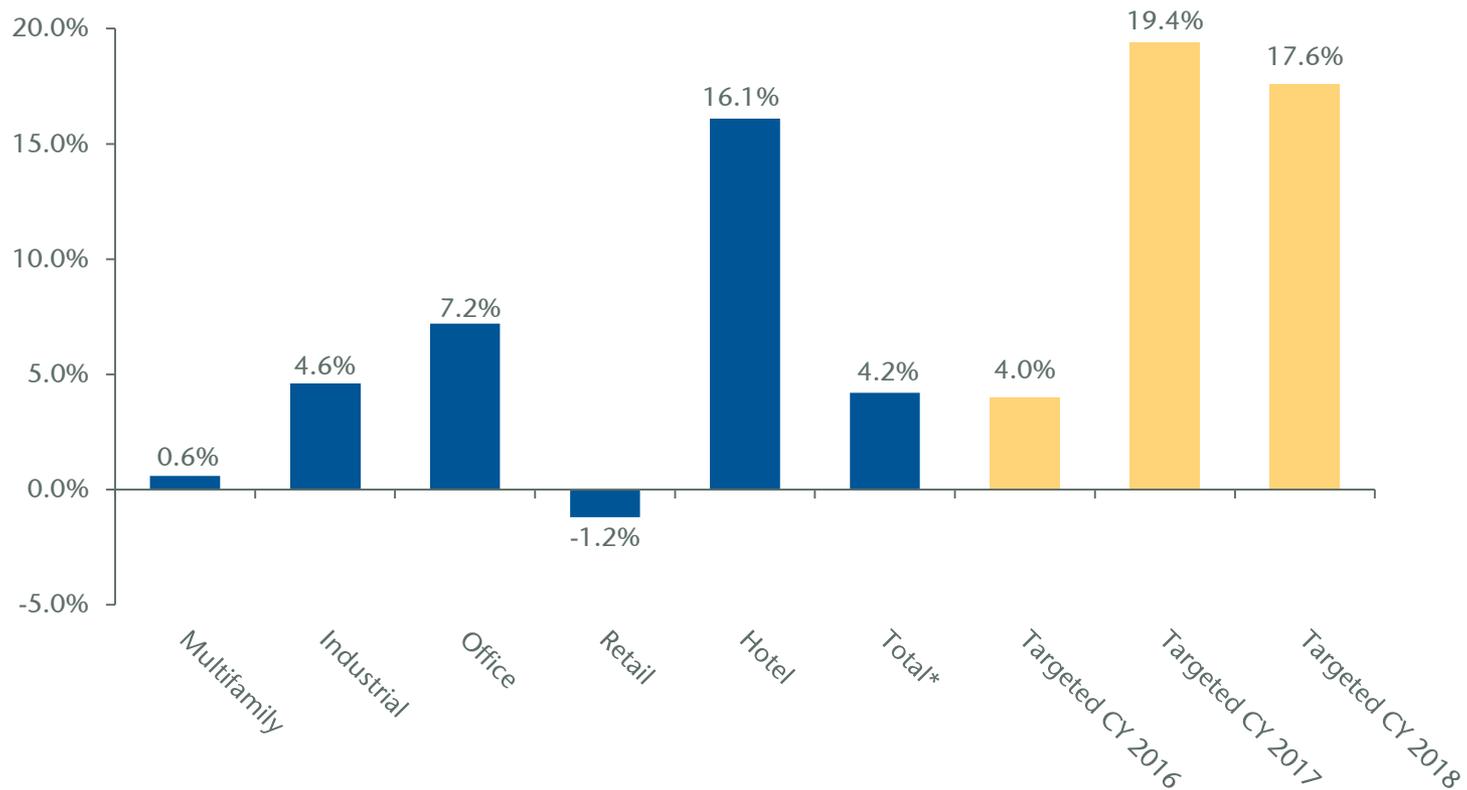


	One Year	Three Years	Five Years	Ten Years
INCOME RETURN				
Principal U.S. Property Account Portfolio Level (Gross) ¹	5.15%	5.31%	5.52%	5.52%
Preliminary NCREIF Fund Index – ODCE Equal Weight (Gross)	4.77%	5.01%	5.17%	5.39%
Preliminary NCREIF Fund Index – ODCE Value Weight (Gross)	4.70%	4.96%	5.13%	5.41%

As of 31 March 2016. ¹Gross portfolio returns include leverage. Actual client returns will be reduced by investment management fees and other expenses that may be incurred in the management of the Account. The highest standard institutional investment management fee (annualized) for The Principal U.S. Property Account is 1.15% on account values. Actual investment management fees incurred by clients may vary and are collected daily which produces a compounding effect on the total rate of return net of management fees and other expenses. Investment management fees are subject to change. ²Principal U.S. Property Account Inception Date: 30 January 1982. Net Total Returns are 12.16%, 12.70%, 12.96%, 5.14% and 6.76%, respectively. Net portfolio level returns are shown after deduction for fund expenses including the investment management fee, which is 1.15% annually from 1 July 2002 through the present. Net portfolio level returns prior to 1 July 2002 are calculated to reflect deduction of blended annualized investment management fees of 1.15% and 1.05% in the periods in which those amounts were charged. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions. The NFI-ODCE Equal Weight presented to show what the results would be if all funds were treated equally, regardless of size. This presentation is typically used for statistical purposes and peer-to-peer comparisons.

SAME-PROPERTY NET OPERATING INCOME (NOI) GROWTH

YEAR-OVER-YEAR THROUGH 31 DECEMBER 2015



As of 31 December 2015

*Total includes land NOI growth.

NOI growth is based on current same-property portfolio and does not include disposition activity.

NOI is net operating income at the property level and is before fees. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions. Targeted growth reflects the current views and opinions of Principal Real Estate Investors and is not intended to be, nor should it be relied upon in any way as a forecast or guarantee of future events regarding particular investments or the markets in general.

PRINCIPAL U.S. PROPERTY ACCOUNT APPENDIX



PORTFOLIO MANAGEMENT – A TEAM APPROACH

PRINCIPAL U.S. PROPERTY SEPARATE ACCOUNT PORTFOLIO MANAGEMENT TEAM

JOHN BERG	Managing Director, Portfolio Management
DARREN KLEIS	Managing Director, Portfolio Management
MEIGHAN PHILLIPS	Portfolio Manager
BRIDGET LECHTENBERG	Portfolio Analyst

PRINCIPAL U.S. PROPERTY SEPARATE ACCOUNT SENIOR STRATEGY COMMITTEE

- Meets at least quarterly
- Sets strategy & guidelines
- Reviews performance

PRODUCTION GROUP INTERACTION ASSET MANAGEMENT & ACQUISITIONS/DISPOSITIONS

- Asset Management
- Formal quarterly property review meeting
 - On-going material event meetings
- Acquisitions/Dispositions
- Formal weekly meetings
 - On-going activity meetings

INVESTMENT COMMITTEE

- Meets weekly
- Reviews transactions over \$1 million
- Reviews transactions for market and strategy consistency

INVESTMENT GUIDELINES

PROPERTY TYPE

- Office, Retail, Multifamily, Industrial and Hotels
- 50% - 150% of NCREIF Property Index

LOCATION

- Broad geographic diversification
- Focus on approximately 40 U.S. markets.

LEVERAGE

- Account-level maximum leverage is 33%
- Property-level maximum leverage is 80% (initial leverage)

HOLD/SELL STRATEGY

- Hold most assets for 2 to 10 years
- Continuously monitor market conditions to dictate sale timing

Investment guidelines are subject to change

SUMMARY OF ACCOUNT TERMS

- | | |
|--------------------|--|
| INCEPTION DATE | <ul style="list-style-type: none">• January, 1982 |
| LEGAL STRUCTURE | <ul style="list-style-type: none">• Insurance company separate account sponsored by Principal Life Insurance Company and managed by Principal Real Estate Investors |
| INVESTORS | <ul style="list-style-type: none">• Qualified retirement plans and 457 plans¹ |
| MINIMUM INVESTMENT | <ul style="list-style-type: none">• \$1.0 million |
| CONTRIBUTIONS | <ul style="list-style-type: none">• Daily, in the absence of a contribution queue |
| DISTRIBUTIONS | <ul style="list-style-type: none">• All cash is automatically reinvested in the Account unless otherwise directed by each individual client |
| REDEMPTIONS | <ul style="list-style-type: none">• Daily, in the absence of a withdrawal limitation; large clients whose first year investment is greater than \$50 million may be subject to additional restrictions² |

¹The Principal U.S. Property Separate Account is an open-end, commingled real estate account available to retirement plans meeting the requirements for qualification under Section 401(a) of the Internal Revenue Code of 1986 (“Code”), as amended, and governmental plans meeting the requirements of Section 457 of the Code, as amended, since 1982. The Account is an insurance company separate account sponsored by Principal Life Insurance Company and managed by Principal Real Estate Investors.

²For large clients whose investment is greater than \$50 million, a mutually agreeable withdrawal schedule may be considered.

FEE STRUCTURE

- ASSET MANAGEMENT FEE**
- Deducted daily based upon the net asset value of each investor's account balance

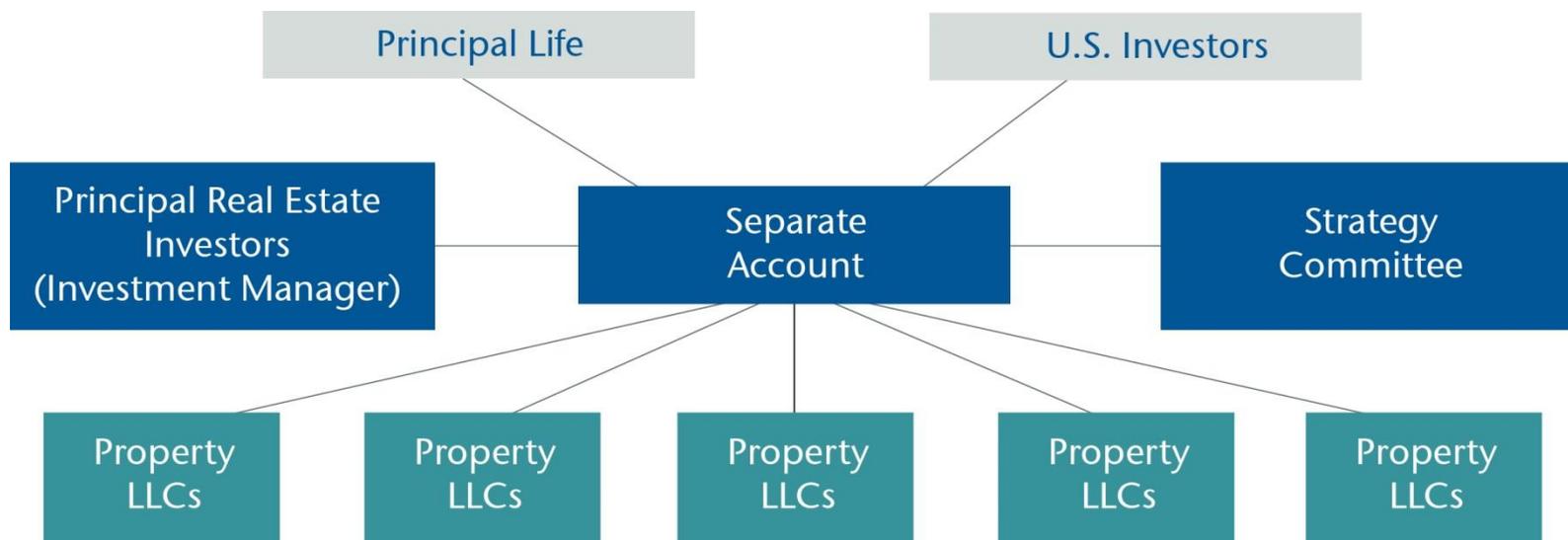
Total Equity Invested	Annual Fee
Up to \$10 million	110 bp
\$10 million up to \$25 million	100 bp
\$25 million up to \$100 million	95 bp
\$100 million and greater	80 bp

- EXPENSES**
- Account pays operating and management costs

When a client increases the amount of its investment, the entire balance is charged the lower fee level.

ACCOUNT STRUCTURE

- The Principal U.S. Property Account is an open-end commingled insurance company separate account sponsored by Principal Life Insurance Company and managed by Principal Real Estate Investors
- It is available through group annuity contracts of Principal Life Insurance Company



2016 ACQUISITION ACTIVITY

PROPERTY	RISK PROFILE	SECTOR	SIZE	LOCATION	TRANSACTION AMOUNT
985 O'Brien Drive	Core	Industrial	20,600 sf	San Francisco, CA	\$3.2
Fife 70 East	Large Leasing	Industrial	111,147 sf	Tacoma, WA	\$9.3
Eagles Landing	Core	Multifamily	176 units	Denver, CO	\$36.0
Stonebridge at Twin Peaks	Core	Multifamily	172 units	Boulder, CO	\$34.5
TOTAL					\$83.0 M



O'Brien Drive
San Francisco, CA



Stonebridge at Twin Peaks
Boulder, CO

As of 31 March 2016

Due to rounding, figures shown may not add to totals

2016 DISPOSITION ACTIVITY

PROPERTY	RISK PROFILE	SECTOR	SIZE	LOCATION	TRANSACTION AMOUNT
ARC Building	Large Leasing	Retail	12,148 sf	Miami, FL	\$17.8
Midpoint @ 237 Land*	Land	Land	21.5 acres	San Jose, CA	\$26.2
TOTAL					\$44.0 M

As of 31 March 2016

*Partial sale

Due to rounding, figures shown may not add to totals

PROPERTY LIST

Property	MSA	NCREIF Region	Sector	SF/Units/Acres	Occupancy (03/31/2016)	GAV (03/31/2016)	Debt at Market (03/31/2016)
J.W. Marriott Resort and Spa	San Antonio, TX	South	Hotel	1,002 rooms	70%	\$189,882,000	\$97,498,981
Dorsey Run Road	Baltimore-Towson, MD	East	Industrial	156,045	0%	\$15,800,000	\$0
Patuxent Range Road	Baltimore-Towson, MD	East	Industrial	241,457	80%	\$30,600,000	\$0
26 Englehard Drive	Edison, NJ	East	Industrial	324,540	0%	\$23,600,000	\$0
1500 Rahway	Edison, NJ	East	Industrial	326,741	96%	\$40,100,000	\$0
1980 U.S. Highway 1	Edison, NJ	East	Industrial	261,715	49%	\$12,700,000	\$0
1000 Corporate Road	Edison, NJ	East	Industrial	156,097	100%	\$10,400,000	\$0
571 Jersey Avenue	Edison, NJ	East	Industrial	301,626	100%	\$20,900,000	\$0
Airspace I, II, III	Louisville, KY-IN	East	Industrial	779,426	100%	\$43,400,000	\$0
Secaucus	New York-Wayne-White Plains, NY-NJ	East	Industrial	68,439	100%	\$8,200,000	\$0
West Manor Way	Trenton-Ewing, NJ	East	Industrial	905,000	100%	\$66,700,000	\$0
Woodridge Centre	Chicago-Naperville-Joliet, IL	Midwest	Industrial	100,972	100%	\$9,500,000	\$0
Vapor Industrial	Chicago-Naperville-Joliet, IL	Midwest	Industrial	414,747	86%	\$38,500,000	\$0
University Crossing	Chicago-Naperville-Joliet, IL	Midwest	Industrial	455,870	100%	\$23,200,000	\$0
Bedford Park	Chicago-Naperville-Joliet, IL	Midwest	Industrial	341,245	100%	\$20,400,000	\$0
Melrose Park	Chicago-Naperville-Joliet, IL	Midwest	Industrial	139,331	100%	\$9,800,000	\$0
Cicero	Chicago-Naperville-Joliet, IL	Midwest	Industrial	113,948	100%	\$8,900,000	\$0
Airport Distribution Center	Atlanta-Sandy Springs-Marietta, GA	South	Industrial	406,989	100%	\$27,200,000	\$0
Northpark 75	Atlanta-Sandy Springs-Marietta, GA	South	Industrial	422,780	88%	\$25,200,000	\$0
Stone Lake 6	Austin-Round Rock, TX	South	Industrial	108,000	100%	\$19,500,000	\$0
Grand Lakes Distribution Center	Dallas-Plano-Irving, TX	South	Industrial	636,248	100%	\$33,900,000	\$13,756,146
Bethel Business Center	Dallas-Plano-Irving, TX	South	Industrial	162,810	81%	\$16,300,000	\$6,806,625
Trinity Overlook Distribution	Dallas-Plano-Irving, TX	South	Industrial	305,000	100%	\$18,500,000	\$7,006,679
Pointe West Commerce Center	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	South	Industrial	169,033	100%	\$22,900,000	\$0
Port 95 Business Plaza	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	South	Industrial	99,753	100%	\$15,100,000	\$0
Lyons Technology Center	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	South	Industrial	232,887	96%	\$30,300,000	\$0
Midway IDC Building	Houston-Baytown-Sugar Land, TX	South	Industrial	127,257	100%	\$10,300,000	\$0
NW Distribution Center	Houston-Baytown-Sugar Land, TX	South	Industrial	389,966	90%	\$28,500,000	\$0

As of 31 March 2016

PROPERTY LIST (CONT.)

Property	MSA	NCREIF Region	Sector	SF/Units/Acres	Occupancy (03/31/2016)	GAV (03/31/2016)	Debt at Market (03/31/2016)
Medley Logistics Center	Miami-Miami Beach-Kendall, FL	South	Industrial	300,000	100%	\$30,700,000	\$0
400 New Sanford	Nashville-Davidson--Murfreesboro, TN	South	Industrial	518,667	100%	\$22,500,000	\$0
Boynton Commerce Center	West Palm Beach-Boca Raton-Boynton Beach, FL	South	Industrial	295,576	94%	\$29,300,000	\$0
Denver Business Center	Denver-Aurora, CO	West	Industrial	152,841	100%	\$12,500,000	\$0
Smithway Commerce Center	Los Angeles-Long Beach-Glendale, CA	West	Industrial	329,267	100%	\$49,300,000	\$0
Magellan Gateway	Los Angeles-Long Beach-Glendale, CA	West	Industrial	N/A	N/A	\$61,150,000	\$22,363,699
Elmhurst Business Park	Oakland-Fremont-Hayward, CA	West	Industrial	294,954	100%	\$38,300,000	\$5,575,882
West Winton Industrial Ctr.	Oakland-Fremont-Hayward, CA	West	Industrial	220,213	100%	\$26,700,000	\$0
Carver and Kyrene	Phoenix-Mesa-Scottsdale, AZ	West	Industrial	272,460	100%	\$26,700,000	\$0
Park Ladera	Phoenix-Mesa-Scottsdale, AZ	West	Industrial	220,823	36%	\$21,600,000	\$11,156,701
Corridors Industrial Park	Phoenix-Mesa-Scottsdale, AZ	West	Industrial	N/A	N/A	\$13,250,000	\$5,110,943
Ontario Distribution Ctr.	Riverside-San Bernardino-Ontario, CA	West	Industrial	317,070	100%	\$29,600,000	\$0
3351 Philadelphia	Riverside-San Bernardino-Ontario, CA	West	Industrial	203,408	100%	\$19,100,000	\$0
Jurupa Business Park	Riverside-San Bernardino-Ontario, CA	West	Industrial	1,077,990	100%	\$104,800,000	\$0
O'Brien Drive	San Francisco-San Mateo-Redwood City, CA	West	Industrial	216,793	81%	\$80,300,000	\$0
Fullerton Business Center	Santa Ana-Anaheim-Irvine, CA	West	Industrial	180,918	100%	\$24,100,000	\$0
Valley Centre Corporate Park	Seattle-Bellevue-Everett, WA	West	Industrial	1,084,409	100%	\$109,000,000	\$0
Fife Commerce Center	Tacoma, WA	West	Industrial	798,950	100%	\$73,500,000	\$0
Fife 70 East	Tacoma, WA	West	Industrial	111,147	11%	\$9,325,000	\$0
Midpoint @ 237	San Jose-Sunnyvale-Santa Clara, CA	West	Industrial/Land	N/A	N/A	\$44,500,000	\$0
Amber Glen	Portland-Vancouver-Beaverton, OR-WA	West	Industrial/Office/Land	580,115	82%	\$99,900,000	\$0
Hacienda Business Park	Oakland-Fremont-Hayward, CA	West	Industrial/Office/Retail	380,459	75%	\$75,200,000	\$30,180,010
Riverside Station	Washington-Arlington-Alexandria, DC-VA-MD-WV	East	Land	N/A	N/A	\$8,200,000	\$0
Lindenhurst Village Green	Lake County-Kenosha County, IL-WI	Midwest	Land	N/A	N/A	\$1,300,000	\$0
Quarry Oaks Land	Austin-Round Rock, TX	South	Land	N/A	N/A	\$1,345,000	\$0
Discovery Tower II	Houston-Baytown-Sugar Land, TX	South	Land	N/A	N/A	\$5,700,000	\$0
Oak Grove Shoppes	Orlando, FL	South	Land	N/A	N/A	\$53,000	\$0
Crews Commerce Center	Orlando, FL	South	Land	N/A	N/A	\$12,740,000	\$6,138,142
INOVA Dry Creek	Denver-Aurora, CO	West	Land	N/A	N/A	\$3,010,000	\$0
Henderson Lofts	Las Vegas-Paradise, NV	West	Land	N/A	N/A	\$5,810,000	\$0
Guasti	Riverside-San Bernardino-Ontario, CA	West	Land	N/A	N/A	\$27,700,000	\$0
Park Place Surf Lots E&F Land	Santa Ana-Anaheim-Irvine, CA	West	Land	N/A	N/A	\$6,750,000	\$0
Camden Courts	Baltimore-Towson, MD	East	Multifamily	221 units	92%	\$43,000,000	\$20,840,814
Watermark Kendall West	Cambridge-Newton-Framingham, MA	East	Multifamily	321 units	93%	\$198,100,000	\$89,978,409

As of 31 March 2016

PROPERTY LIST (CONT.)

Property	MSA	NCREIF Region	Sector	SF/Units/ Acres	Occupancy (03/31/2016)	GAV (03/31/2016)	Debt at Market (03/31/2016)
Watermark Kendall East	Cambridge-Newton-Framingham, MA	East	Multifamily	144 units	87%	\$80,700,000	\$0
420 West 42nd Street	New York-Wayne-White Plains, NY-NJ	East	Multifamily	264 units	99%	\$149,400,000	\$65,818,279
Watermark Court Square	New York-Wayne-White Plains, NY-NJ	East	Multifamily	N/A	N/A	\$15,000,000	\$0
The Swift	Washington-Arlington-Alexandria, DC-VA-MD-WV	East	Multifamily	218 units	90%	\$79,700,000	\$0
The Phoenix Apartments	Dallas-Plano-Irving, TX	South	Multifamily	449 units	97%	\$66,900,000	\$0
Ravello Apartments	Dallas-Plano-Irving, TX	South	Multifamily	290 units	94%	\$70,100,000	\$38,174,293
Routh Street Flats	Dallas-Plano-Irving, TX	South	Multifamily	208 units	65%	\$48,775,000	\$25,658,649
Aqua Isles	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	South	Multifamily	127 units	95%	\$33,000,000	\$0
The Trestles Apartments	Houston-Baytown-Sugar Land, TX	South	Multifamily	188 units	92%	\$24,400,000	\$0
Can Plant	San Antonio, TX	South	Multifamily	293 units	91%	\$63,000,000	\$0
Stonebridge at Twin Peaks	Boulder, CO	West	Multifamily	172 units	96%	\$34,500,000	\$24,868,035
The Grove Littleton	Denver-Aurora, CO	West	Multifamily	N/A	N/A	\$7,040,000	\$0
Premier Lofts	Denver-Aurora, CO	West	Multifamily	250 units	89%	\$66,200,000	\$29,271,469
Eagles Landing	Denver-Aurora, CO	West	Multifamily	176 units	95%	\$36,100,000	\$24,800,000
Channel Point Apartments	Los Angeles-Long Beach-Glendale, CA	West	Multifamily	212 units	94%	\$73,500,000	\$31,712,993
EpiCenter	Seattle-Bellevue-Everett, WA	West	Multifamily/Retail	124 units / 32,457 sf	98%	\$50,400,000	\$0
The Flats	Bloomington-Normal, IL	Midwest	Multifamily	447 beds	95%	\$46,800,000	\$27,404,008
Evolve @ Auburn	Auburn-Opelika, AL	South	Multifamily	N/A	N/A	\$13,000,000	\$0
West Campus Phase I	Austin-Round Rock, TX	South	Multifamily	704 beds	98%	\$66,500,000	\$0
West Campus Phase II	Austin-Round Rock, TX	South	Multifamily	970 beds	97%	\$114,200,000	\$52,560,643
Hardin House	Austin-Round Rock, TX	South	Multifamily	229 beds	100%	\$28,500,000	\$8,519,266
Evolve	Knoxville, TN	South	Multifamily	225 beds	90%	\$24,900,000	\$11,942,607
Uncommon	Eugene-Springfield, OR	West	Multifamily	380 beds	97%	\$45,900,000	\$23,497,532
Icon & Icon Gardens	Santa Barbara-Santa Maria-Goleta, CA	West	Multifamily	207 beds	93%	\$39,300,000	\$18,425,174
Identity	Seattle-Bellevue-Everett, WA	West	Multifamily	206 beds	98%	\$44,800,000	\$23,402,102
LIV	Seattle-Bellevue-Everett, WA	West	Multifamily	199 beds	94%	\$36,450,000	\$21,004,852
Luna	Tucson, AZ	West	Multifamily	588 beds	96%	\$81,100,000	\$49,197,055
Sol	Tucson, AZ	West	Multifamily	389 beds	94%	\$65,200,000	\$39,771,013
Landmark	Washington-Arlington-Alexandria, DC-VA-MD-WV	East	Multifamily/Retail	829 beds / 14,617 sf	99%	\$143,200,000	\$84,370,709
The Rise	College Station-Bryan, TX	South	Multifamily/Retail	471 beds / 16,749 sf	96%	\$56,300,000	\$34,847,914
Summit at Washingtonian	Bethesda-Frederick-Gaithersburg, MD	East	Office	193,199	94%	\$66,200,000	\$40,781,370
Charles Park	Cambridge-Newton-Framingham, MA	East	Office	370,972	97%	\$238,000,000	\$0
1370 Avenue of the Americas	New York-Wayne-White Plains, NY-NJ	East	Office	347,038	91%	\$346,300,000	\$150,597,939
77 Water Street	New York-Wayne-White Plains, NY-NJ	East	Office	546,803	100%	\$154,350,000	\$23,635,390
Spring Mall Office Building	Washington-Arlington-Alexandria, DC-VA-MD-WV	East	Office	113,714	57%	\$16,100,000	\$0

As of 31 March 2016

PROPERTY LIST (CONT.)

Property	MSA	NCREIF Region	Sector	SF/Units/ Acres	Occupancy (03/31/2016)	GAV (03/31/2016)	Debt at Market (03/31/2016)
Capitol Plaza	Washington-Arlington-Alexandria, DC-VA-MD-WV	East	Office	291,838	99%	\$175,300,000	\$82,712,616
Dulles Metro Center	Washington-Arlington-Alexandria, DC-VA-MD-WV	East	Office	219,235	58%	\$48,400,000	\$25,408,568
Union Tower	Chicago-Naperville-Joliet, IL	Midwest	Office	332,608	98%	\$86,000,000	\$0
Campbell Mithun Tower	Minneapolis-St. Paul-Bloomington, MN-WI	Midwest	Office	727,170	71%	\$91,300,000	\$0
Quarry Oaks	Austin-Round Rock, TX	South	Office	292,417	99%	\$95,100,000	\$0
500 West Second Street	Austin-Round Rock, TX	South	Office	N/A	N/A	\$124,950,000	\$1,424,127
Freeport Parkway	Dallas-Plano-Irving, TX	South	Office	151,656	73%	\$20,900,000	\$0
20 Greenway Plaza	Houston-Baytown-Sugar Land, TX	South	Office	433,640	96%	\$94,800,000	\$0
Energy Center	Houston-Baytown-Sugar Land, TX	South	Office	597,628	100%	\$322,300,000	\$105,994,298
One DTC	Denver-Aurora, CO	West	Office	240,842	94%	\$59,900,000	\$0
Crescent V	Denver-Aurora, CO	West	Office	90,197	82%	\$16,200,000	\$0
Crescent VI	Denver-Aurora, CO	West	Office	135,481	92%	\$28,300,000	\$0
INOVA Dry Creek Building A	Denver-Aurora, CO	West	Office	N/A	N/A	\$14,130,000	\$0
505 North Brand	Los Angeles-Long Beach-Glendale, CA	West	Office	319,967	83%	\$85,800,000	\$0
The Signature Center	Oakland-Fremont-Hayward, CA	West	Office	257,671	93%	\$68,400,000	\$0
Papago Buttes	Phoenix-Mesa-Scottsdale, AZ	West	Office	511,524	97%	\$119,100,000	\$0
Portales Corporate Center	Phoenix-Mesa-Scottsdale, AZ	West	Office	453,511	96%	\$147,100,000	\$0
150 Spear Street	San Francisco-San Mateo-Redwood City, CA	West	Office	265,406	100%	\$176,800,000	\$0
225 West Santa Clara	San Jose-Sunnyvale-Santa Clara, CA	West	Office	348,673	92%	\$160,300,000	\$0
Park Place Concourse & Atrium	Santa Ana-Anaheim-Irvine, CA	West	Office	1,633,464	96%	\$248,850,000	\$132,005,261
Park Place Tower 3333 Michelson	Santa Ana-Anaheim-Irvine, CA	West	Office	239,099	95%	\$37,485,000	\$19,683,321
3121 Michelson	Santa Ana-Anaheim-Irvine, CA	West	Office	149,112	100%	\$27,765,000	\$14,496,725
Lincoln Plaza	Seattle-Bellevue-Everett, WA	West	Office	148,704	93%	\$53,000,000	\$0
112th at 12th Street	Seattle-Bellevue-Everett, WA	West	Office	480,267	71%	\$205,000,000	\$0
Nine Two Nine	Seattle-Bellevue-Everett, WA	West	Office	462,000	16%	\$174,100,000	\$76,191,901
North Avenue Collection	Chicago-Naperville-Joliet, IL	Midwest	Office/Retail	199,683	93%	\$82,000,000	\$0
Hazard Center	San Diego-Carlsbad-San Marcos, CA	West	Office/Retail	405,707	94%	\$143,800,000	\$0
Sacramento Shopping Center	Washington-Arlington-Alexandria, DC-VA-MD-WV	East	Retail	84,492	88%	\$15,200,000	\$0
West Springfield Shopping Center	Washington-Arlington-Alexandria, DC-VA-MD-WV	East	Retail	83,700	92%	\$43,100,000	\$0
Mayfaire Community Center	Wilmington, NC	East	Retail	210,010	96%	\$56,950,000	\$28,714,218

As of 31 March 2016

PROPERTY LIST (CONT.)

Property	MSA	NCREIF Region	Sector	SF/Units/ Acres	Occupancy (03/31/2016)	GAV (03/31/2016)	Debt at Market (03/31/2016)
Old Town Square	Chicago-Naperville-Joliet, IL	Midwest	Retail	87,123	97%	\$34,900,000	\$0
Stony Island	Chicago-Naperville-Joliet, IL	Midwest	Retail	159,785	83%	\$22,500,000	\$0
Grand Hunt Center	Lake County-Kenosha County, IL-WI	Midwest	Retail	133,360	100%	\$23,700,000	\$0
The Marketplace at Vernon Hills	Lake County-Kenosha County, IL-WI	Midwest	Retail	191,418	90%	\$27,600,000	\$0
Fischer Market Place	Minneapolis-St. Paul-Bloomington, MN-WI	Midwest	Retail	233,308	100%	\$47,100,000	\$0
Fischer Market Place Outlot	Minneapolis-St. Paul-Bloomington, MN-WI	Midwest	Retail	20,388	100%	\$5,000,000	\$0
Bell Tower Shops	Cape Coral-Fort Myers, FL	South	Retail	325,697	93%	\$80,700,000	\$0
Southport Shopping Center	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	South	Retail	146,833	98%	\$58,600,000	\$0
Lake Worth Marketplace	Fort Worth-Arlington, TX	South	Retail	197,332	96%	\$33,400,000	\$0
Meadows Marketplace	Houston-Baytown-Sugar Land, TX	South	Retail	251,944	100%	\$60,100,000	\$22,890,318
South Dade	Miami-Miami Beach-Kendall, FL	South	Retail	208,721	98%	\$52,700,000	\$0
530 Lincoln Road	Miami-Miami Beach-Kendall, FL	South	Retail	11,000	0%	\$47,500,000	\$0
Shoppes at Woolbright	West Palm Beach-Boca Raton-Boynton Beach, FL	South	Retail	133,771	99%	\$64,900,000	\$0
Pinewood Square Shopping Center	West Palm Beach-Boca Raton-Boynton Beach, FL	South	Retail	182,248	96%	\$62,600,000	\$0
Lantana Square	West Palm Beach-Boca Raton-Boynton Beach, FL	South	Retail	105,550	96%	\$33,800,000	\$0
Cherry Hills Marketplace	Denver-Aurora, CO	West	Retail	203,491	94%	\$62,500,000	\$0
Burbank Empire Center	Los Angeles-Long Beach-Glendale, CA	West	Retail	618,562	100%	\$228,200,000	\$111,033,173
Plaza Paseo	San Diego-Carlsbad-San Marcos, CA	West	Retail	148,590	95%	\$84,000,000	\$0
Park Place Health Club	Santa Ana-Anaheim-Irvine, CA	West	Retail	46,762	100%	\$10,800,000	\$6,009,322
Park Place Retail	Santa Ana-Anaheim-Irvine, CA	West	Retail	116,623	93%	\$41,940,000	\$21,335,075
Green Firs Towne Center	Tacoma, WA	West	Retail	148,731	97%	\$36,750,000	\$0
						\$8,802,750,000	\$1,814,573,244

As of 31 March 2016

JOINT VENTURE INVESTMENTS

Property Name	Property Type	Joint Venture Partner	USPA Joint Venture Ownership	GAV (03/31/2016)
Routh Street Flats	Multifamily	Alamo Manhattan Carlisle	90.00%	\$ 48,775,000
Icon & Icon Gardens	Multifamily	CA Student Living	87.50%	\$ 39,300,000
Uncommon	Multifamily	CA Student Living	87.50%	\$ 45,900,000
Evolve	Multifamily	CA Student Living	87.50%	\$ 24,900,000
Identity	Multifamily	CA Student Living	87.50%	\$ 44,800,000
The Flats	Multifamily	CA Student Living	87.50%	\$ 46,800,000
Evolve @ Auburn	Multifamily	CA Student Living	90.00%	\$ 13,000,000
LIV	Multifamily	CA Student Living	78.00%	\$ 36,450,000
Landmark	Multifamily/Retail	CA Student Living	78.00%	\$ 143,200,000
Hacienda Business Park	Industrial/Office/Retail	Ellis Partners	90.00%	\$ 75,200,000
Meadows Marketplace	Retail	Fidelis Realty Partners	95.00%	\$ 60,100,000
Crews Commerce Center	Land	Foundry	90.00%	\$ 12,740,000
Sol	Multifamily	GMH Capital Partners	90.00%	\$ 65,200,000
Luna	Multifamily	GMH Capital Partners	90.00%	\$ 81,100,000
The Rise at Northgate	Multifamily/Retail	GMH Capital Partners	90.00%	\$ 56,300,000
Stonebridge at Twin Peaks	Multifamily	Holland	95.00%	\$ 34,500,000
Eagles Landing	Multifamily	Holland	95.00%	\$ 36,100,000
Riverside Station Land	Land	Kettler	90.00%	\$ 8,200,000
Park Place*	Office/Retail/Land	LBA Realty	45.00%	\$ 180,060,295
Plaza Paseo Real	Retail	Madison Marquette	95.00%	\$ 84,000,000
Bell Tower Shops	Retail	Madison Marquette	90.00%	\$ 80,700,000
J.W. Marriott Resort and Spa*	Hotel	Marriott/PGA/Miller Global	33.00%	\$ 92,383,019
Spring Mall Office Building	Office	McCaffrey Interests	97.16%	\$ 16,100,000
Sacramento Shopping Center	Retail	McCaffrey Interests	97.16%	\$ 15,200,000
W. Springfield Shopping Center	Retail	McCaffrey Interests	97.16%	\$ 43,100,000
Fife Commerce Center	Industrial	Northwest Building	70.00%	\$ 73,500,000
Camden Court Apartments	Multifamily	Quadrangle	90.00%	\$ 43,000,000
Can Plant	Multifamily	Silver Ventures	90.00%	\$ 63,000,000
Hardin House	Multifamily	Simmons Vedder	81.28%	\$ 28,500,000
O'Brien Drive	Industrial	Tarlton	95.00%	\$ 80,300,000
Magellan Gateway	Industrial	The Magellan Group	90.00%	\$ 61,150,000
Dulles Metro Center	Office	The Pinkard Group	85.00%	\$ 48,400,000
Park Ladera	Industrial	Trammell Crow	90.00%	\$ 21,600,000
Discovery Tower II	Land	Trammell Crow	60.00%	\$ 5,700,000
Midpoint @ 237	Land	Trammell Crow	90.00%	\$ 44,500,000
Corridors Industrial Park	Land	Trammell Crow	90.00%	\$ 13,250,000
Energy Center	Office	Trammell Crow	90.00%	\$ 322,300,000
Nine Two Nine	Office	Trammell Crow	90.00%	\$ 174,100,000
500 West Second Street	Office	Trammell Crow	90.00%	\$ 124,950,000
77 Water Street*	Office	Travelers/William Kaufman Organization	49.00%	\$ 130,714,610
530 Lincoln Road	Retail	Tristar Capital	91.50%	\$ 47,500,000
Watermark Court Square	Multifamily	Twining Properties	75.00%	\$ 15,000,000
Watermark Kendall West	Multifamily/Retail	Twining Properties	94.20%/80.00%	\$ 198,100,000
INOVA Dry Creek*	Land	United Properties	50.00%	\$ 3,010,000
INOVA Dry Creek Building A	Office	United Properties	70.00%	\$ 14,130,000
Oak Groves Shoppes	Land	Woolbright	90.00%	\$ 53,000
The Grove Littleton	Land	Zocalo Community Development	90.00%	\$ 7,040,000
			TOTAL JOINT VENTURES	\$ 2,903,905,925
			% of Account GAV	32.83%

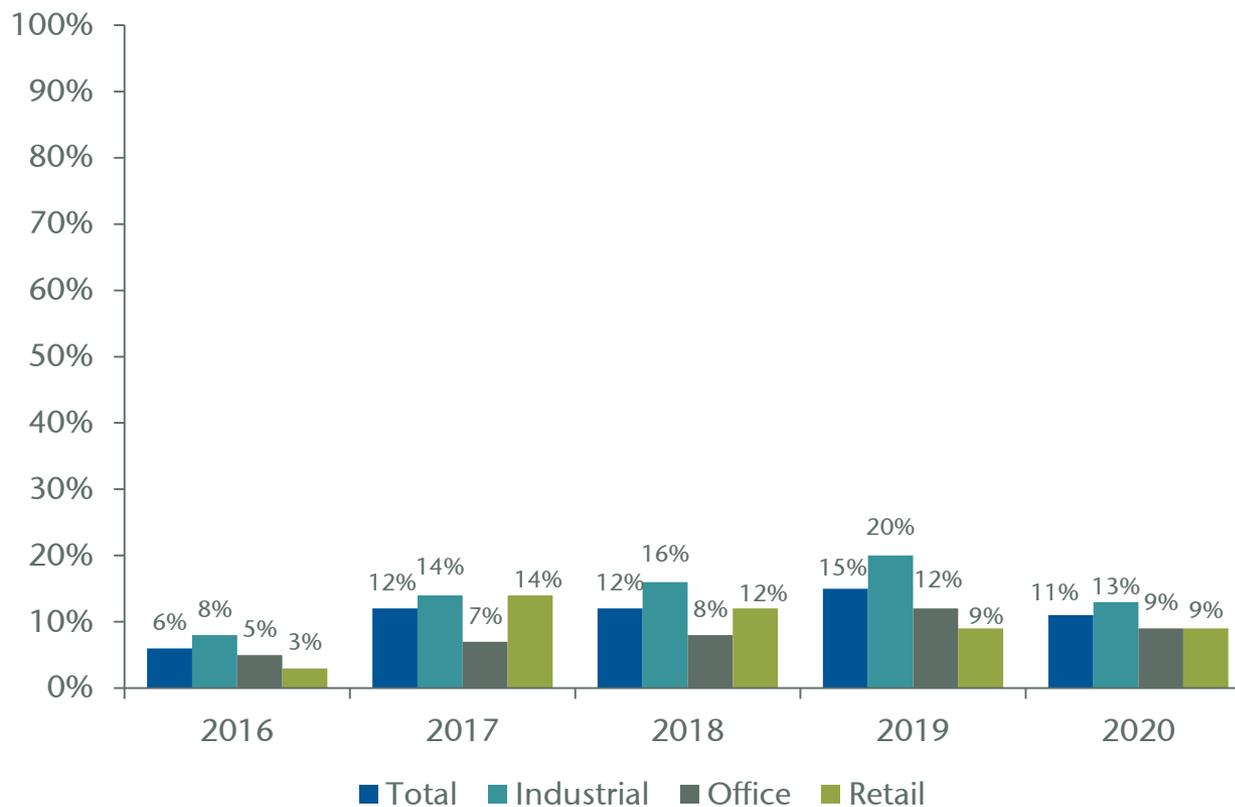
As of 31 March 2016

29 *Non-majority joint ventures are shown at net investment in real estate partnership.



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LEASE ROLLOVER



As of 31 March 2016

Rollover is based on percentage of square footage expiring within each property sector within a given calendar year.

LEVERAGE SUMMARY

Fixed Rate Loans	Lender	GAV	Loan Amount	LTV	Maturity Date	Note Rate
Capitol Plaza	Mass Mutual	\$175,300,000	\$82,500,000	47.06%	08/01/2016	4.02%
Elmhurst Business Park	Prudential	\$38,300,000	\$5,254,626	13.72%	08/15/2017	7.97%
Camden Court (Consolidated LTV = 49.2%)	Fannie Mae	\$43,000,000	\$20,021,187	46.56%	04/01/2019	3.45%
Burbank Empire Center	Mass Mutual	\$228,200,000	\$110,131,339	48.26%	04/01/2019	3.80%
Meadows Marketplace	Mass Mutual	\$60,100,000	\$21,397,049	35.60%	10/01/2020	5.00%
Channel Pointe	Fannie Mae	\$73,500,000	\$30,160,000	41.03%	12/01/2020	4.59%
Ravello	Northwestern Mutual	\$70,100,000	\$38,500,000	54.92%	01/01/2021	2.81%
Premier Lofts	Fannie Mae	\$66,200,000	\$27,820,000	42.02%	01/01/2021	4.59%
Dallas Core Industrial Portfolio	Allianz	\$68,700,000	\$24,857,478	36.18%	04/10/2021	5.88%
77 Water Street ¹	AXA Equitable	\$154,350,000	\$22,050,000	14.29%	11/01/2021	4.66%
Watermark	Fannie Mae	\$198,100,000	\$88,000,000	44.42%	01/01/2022	3.88%
Hardin House	John Hancock	\$28,500,000	\$8,250,000	28.95%	05/01/2022	4.15%
West Campus Phase II	Fannie Mae	\$114,200,000	\$52,320,000	45.81%	08/01/2022	3.58%
Landmark	Northwestern Mutual	\$143,200,000	\$85,000,000	59.36%	01/10/2024	3.44%
1370 Avenue of the Americas	Mass Mutual	\$346,300,000	\$150,000,000	43.32%	10/01/2024	3.90%
Stonebridge at Twins Peak	Freddie Mac	\$34,500,000	\$22,350,000	64.78%	01/01/2025	3.93%
Icon & Icon Gardens	Fannie Mae	\$39,300,000	\$18,854,000	47.97%	04/01/2025	3.38%
Uncommon	Fannie Mae	\$45,900,000	\$23,638,000	51.50%	04/01/2025	3.42%
Evolve	Fannie Mae	\$24,900,000	\$12,014,000	48.25%	04/01/2025	3.42%
Identity	Fannie Mae	\$44,800,000	\$23,542,000	52.55%	04/01/2025	3.42%
The Flats	Fannie Mae	\$46,800,000	\$27,846,000	59.50%	04/01/2025	3.44%
LIV	PNC Bank	\$36,450,000	\$21,000,000	57.61%	04/01/2025	3.55%
Park Place ¹	Prudential/MetLife	\$366,840,000	\$193,500,000	52.75%	04/05/2025	3.65%
The Rise	Mass Mutual	\$56,300,000	\$34,255,000	60.84%	12/01/2026	3.64%
Luna	Mass Mutual	\$81,100,000	\$48,360,000	59.63%	12/01/2026	3.64%
Sol	Mass Mutual	\$65,200,000	\$40,145,000	61.57%	12/01/2026	3.64%
Mayfaire Community Center	Met Life	\$56,950,000	\$28,150,000	49.43%	01/01/2028	3.96%
Camden Court (Consolidated LTV = 49.2%)	City of Baltimore	\$43,000,000	\$1,141,847	2.66%	03/01/2034	2.00%
Total Fixed Rate Debt		\$2,707,090,000	\$1,261,057,525	46.58%		3.83%

As of 31 March 2016

¹The property is a non-consolidated joint venture and as such, gross asset value and loan amounts are shown at USPA share.

LEVERAGE SUMMARY (CONT.)

Floating Rate Loans	Lender	GAV	Loan Amount	LTV	Maturity Date	Note Rate
Energy Center IV	US Bank/Wells Fargo	\$218,400,000	\$68,016,506	31.14%	11/30/2016	LIBOR + 180
Routh Street Flats	Texas Capital Bank	\$48,775,000	\$25,601,154	52.49%	05/22/2017	LIBOR + 245
Nine Two Nine	US Bank	\$174,100,000	\$76,191,901	43.76%	06/02/2017	LIBOR + 250
Hacienda Business Park	Wells Fargo	\$75,200,000	\$30,268,218	40.25%	06/26/2017	LIBOR + 325
Energy Center V	US Bank/Wells Fargo	\$103,900,000	\$38,296,141	36.86%	07/09/2017	LIBOR + 200
Summit at Washingtonian	Compass Bank	\$66,200,000	\$41,000,000	61.93%	08/10/2017	LIBOR + 210
Park Ladera	US Bank	\$21,600,000	\$11,173,962	51.73%	10/31/2017	LIBOR + 225
Magellan Gateway	US Bank	\$61,150,000	\$22,503,551	36.80%	05/31/2018	LIBOR + 195
J.W. Marriott Resort and Spa ¹	HSBC Syndicate	\$189,882,000	\$97,498,981	51.35%	06/01/2018	LIBOR + 265
Dulles Metro Center	Santander Bank	\$48,400,000	\$25,462,783	52.61%	06/23/2018	LIBOR + 250
Corridors Industrial Park	Bank of America	\$13,250,000	\$5,172,646	39.04%	07/24/2018	LIBOR + 170
500 West Second Street	JP Morgna/Wells Fargo	\$124,950,000	\$1,420,294	1.14%	12/09/2018	LIBOR + 220
Eagles Landing	PNC Bank	\$36,100,000	\$24,800,000	68.70%	01/29/2019	LIBOR + 190
Crews Commerce Center	Regions Bank	\$12,740,000	\$6,180,851	48.52%	12/18/2019	LIBOR + 200
Stonebridge at Twins Peak	Freddie Mac	\$34,500,000	\$2,470,000	7.16%	01/01/2025	LIBOR + 373
420 West 42nd Street	NY State Housing Finance Agency	\$149,400,000	\$66,376,989	44.43%	11/01/2032	Bond Rate + 116
Total Floating Rate Debt		\$1,344,047,000	\$542,433,976	40.36%		2.61%
Lines of Credit	Lender	GAV	Loan Amount	LTV	Maturity Date	Note Rate
Line of Credit - \$400m	Wells Fargo/JP Morgan Syndicate		\$0	-	10/04/2016	LIBOR + 100
Total Line of Credit Debt			\$0			0.00%
Private Placement	Lender	GAV	Loan Amount	LTV	Maturity Date	Note Rate
Private Placement 7 Year	Prudential		\$100,000,000	-	06/25/2021	3.49%
Private Placement 8 Year	Prudential		\$100,000,000	-	06/25/2023	3.30%
Total Private Placement Debt			\$200,000,000			3.40%
Total Fixed, Variable and LOC			\$2,003,491,501		6.00 Years	3.47%

As of 31 March 2016

¹The property is a non-consolidated joint venture and as such, gross asset value and loan amounts are shown at USPA share.

PERFORMANCE SUMMARY

PRINCIPAL U.S. PROPERTY ACCOUNT

RETURNS	1Q 2016	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS	SINCE INCEPTION ⁴
Gross Property Level ¹	1.99%	11.71%	12.35%	12.71%	6.87%	8.32%
Gross Portfolio Level ²	2.09%	13.46%	14.01%	14.26%	6.35%	7.93%
Net Portfolio Level ³	1.80%	12.16%	12.70%	12.96%	5.14%	6.76%

As of 31 March 2016 ¹Property returns are unlevered, exclude cash, are before fees, and are calculated in accordance with NCREIF Property Return Methodology.

²Gross portfolio returns include leverage. Actual client returns will be reduced by investment management fees and other expenses that may be incurred in the management of the Fund. The highest standard institutional investment management fee (annualized) for The Principal U.S. Property Account is 1.15% on account values. Actual investment management fees incurred by clients may vary and are collected daily which produces a compounding effect on the total rate of return net of management fees and other expenses. Investment management fees are subject to change. ³Net portfolio level returns are shown after deduction for portfolio expenses including the investment management fee, which is 1.15% annually from 1 July 2002 through the present. Net portfolio level returns prior to 1 July 2002 are calculated to reflect deduction of blended annualized investment management fees of 1.15% and 1.05% in the periods in which those amounts were charged. ⁴Principal U.S. Property Account Inception Date: 30 January 1982.

Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.



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BIOGRAPHIES

U.S. PROPERTY ACCOUNT PORTFOLIO MANAGEMENT TEAM

John T. Berg - Managing Director, Portfolio Management

John is managing director, portfolio management for Principal Real Estate Investors. He is the portfolio manager of the Principal U.S. Property Account, a core open-end real estate strategy. John joined the firm in 1994 and has spent his entire tenure with the firm in the real estate equity area. In addition to portfolio management, John has significant experience in asset management and product development. John received an MBA from the University of Iowa and a bachelor's degree in economics and psychology from Georgetown University. He is a member of the National Council of Real Estate Investment Fiduciaries (NCREIF), the National Association of Real Estate Investment Managers (NAREIM), and the Pension Real Estate Association (PREA).

Darren Kleis - Managing Director, Portfolio Management

Darren is a managing director, portfolio management at Principal Real Estate Investors. Darren joined the management team of the Principal U.S. Property Account in 2007, and is responsible for portfolio management activities of the Principal U.S. Property Account including market research, asset management oversight, leasing and capital expenditures, financing, annual business plans, and hold/sell analysis. Prior to his current role, Darren was an investment director of asset management for 12 years for Principal Real Estate Investors. Darren joined Principal Financial Group in 1992 as an investment accountant at Principal Financial Group. He received an MBA from Drake University and a bachelor's degree in accounting from Northwestern College.

Meighan E. Phillips - Portfolio Manager

Meighan is a portfolio manager for Principal Real Estate Investors. She is a member of the portfolio team for the Principal U.S. Property Account, the firm's core open-end fund. This team is responsible for the strategic and tactical operations of the portfolio. Meighan is responsible for portfolio analytics and performance measures, quarterly reporting, performance attribution and client and consultant communication and marketing efforts. She joined the firm in 2005. Previously, Meighan was an acquisition analyst for Principal Real Estate Investors. She received an MBA from the University of Iowa and a bachelor's degree in finance with a concentration in investments from Drake University.

Bridget Lechtenberg - Portfolio Analyst

Bridget is a portfolio analyst for Principal Real Estate Investors. She is a member of the portfolio team for the Principal U.S. Property Account, the firm's core open-end fund. Bridget is responsible for portfolio statistics and analysis, annual business plans and quarterly reporting. Bridget joined the firm in 2006 and spent six years in the asset management/development and acquisition/dispositions area before joining the Principal U.S. Property Account team in 2013. She received her bachelor's degree in finance and real estate from the University of Northern Iowa.

ENDNOTES

Performance Disclosures

Performance shown is time-weighted and returns for periods over one year are annualized. Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so that value, when redeemed, may be worth more or less than original costs. Currently performance may be lower or higher than the performance data shown. This investment is subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general local economic condition.

Principal U.S. Property Account Background

The Principal U.S. Property Separate Account is an open-end, commingled real estate account available to retirement plans meeting the requirements for qualification under Section 401(a) of the Internal Revenue Code of 1986 (“Code”), as amended, and governmental plans meeting the requirements of Section 457 of the Code, as amended, since 1982. The Account is an insurance company separate account sponsored by Principal Life Insurance Company and managed by Principal Real Estate Investors.

Separate Accounts are available through a group annuity contract with Principal Life Insurance Company. Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company, a member of the Principal Financial Group, Des Moines, IA 50392. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as described in the group annuity contracts providing access to the Separate Accounts or as required by applicable law. Such deferment will be based on factors that may include situations such as: unstable or disorderly financial markets; investment conditions which do not allow for orderly investment transactions; or investment, liquidity, and other risks inherent in real estate (such as those associated with general and local economic conditions). If you elect to allocate funds to a Separate Account, you may not be able to immediately withdraw them.

NFI-ODCE is a capitalization-weighted, gross of fee, time-weighted return index with an inception date of 31 December 1977. Supplemental data is also provided, such as equal-weight and net of fee returns, for informational purposes and additional analysis. Open-end Funds are generally defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. The NFI-ODCE, like the NCREIF Property Index and other stock and bond indices, is a capitalization-weighted index based on each fund's Net Invested Capital, which is defined as Beginning Market Value Net Assets (BMV), adjusted for Weighted Cash Flows (WCF) during the period. To the extent WCF are not available; which may be the case for older liquidated funds, BMV is used. Indices are typically capitalization-weighted, as they better represent the universe and the performance of the overall marketplace. Total Return of any capitalization-weighted Index is, therefore, more influenced by the larger funds (based on Net Invested Capital) included in the Index. Additional information, such as the equally-weighted NFI-ODCE, is also presented to show what the results would be if all funds were treated equally, regardless of size. This presentation is typically used for statistical purposes and peer-to-peer comparisons.

PRINCIPAL ENHANCED PROPERTY FUND, L.P.



REACH | RESEARCH | RESULTS



NOTES TO PRESENTATION

Limited Partnership interests in the Principal Enhanced Property Fund, L.P. (the "Fund") are offered to U.S. investors through Princor Financial Services Corporation, Des Moines, IA, 50392, 800-533-1390, member SIPC, FINRA. Princor®, Principal Global Investors, LLC, Principal Real Estate Investors, LLC, and Principal Life Insurance Company are companies of the Principal Financial Group®. This presentation must be preceded or accompanied by the Private Placement Memorandum (including any supplements) for Principal Enhanced Property Fund, LP.

This presentation is directed solely and exclusively to a limited number of sophisticated institutional investors in the U.S. on a one-on-one basis and should not be construed as advertising, investment advice or a recommendation for the purchase or sale of any security. This presentation does not constitute an offer to sell or a solicitation of an offer to buy any security. Any such offer or solicitation will be made only through the confidential private placement memorandum (as amended or supplemented from time to time, the "Memorandum") of the Fund, which describes risks related to an investment in the Fund as well as other important information about the Fund and its sponsor. The information set forth herein does not purport to be complete and is subject to change. This presentation is qualified in its entirety by all of the information set forth in the Memorandum, including without limitation all of the cautionary statements set forth in the front of the Memorandum and in the "Certain Investment Considerations and Risk Factors" and "Certain Conflicts of Interest" sections of the Memorandum. The Memorandum must be read carefully in its entirety prior to investing in the Fund. This presentation does not constitute a part of the Memorandum of the Fund.

The terms and conditions outlined in this presentation are intended for discussion purposes only and do not represent a commitment, agreement or guarantee by the Fund, the Fund's general partner, Principal Real Estate Investors, LLC, Principal Life Insurance Company ("Principal Life"), Princor Financial Services Corporation or any other party. Further, no representation is made as to, and no responsibility is assumed for, the performance of the Fund. The information provided herein is confidential and shall not be reproduced, used or disclosed, in whole or in part, without the express written consent of Fund's general partner.

There can be no assurance that any targeted results, diversification, capitalization asset allocations or returns will be met or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective. Actual returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale. Investors could lose all or a significant portion of their investment.

Statements contained in this presentation that are not historical facts are based on current expectations, estimates, opinions and beliefs of the general partner of the Fund. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Additionally, this presentation contains "forward-looking statements." Actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. Certain economic and market information contained herein has been obtained from published sources prepared by third parties and in certain cases has not been updated through the date hereof. While such sources are believed to be reliable, neither the Fund, its general partner, advisor nor their respective affiliates nor employees assume any responsibility for the accuracy or completeness of such information.

The use of this presentation in certain jurisdictions may be restricted by law. Prospective investors in the Fund should inform themselves as to the legal requirements and tax consequences of an investment in the Fund within the countries of their citizenship, residence, domicile and place of business. Any solicitations or sales outside the United States do not involve Princor.

The Fund is leveraged. The Fund is speculative and involves a high degree of risk. The Fund's fees and expenses may offset the Fund's profits. The Fund is subject to investment and liquidity risk and other risks inherent in real estate and REITs such as those associated with general and local economic conditions. Investors should have the financial ability and willingness to accept the risk and lack of liquidity that are characteristic of the Fund. There will be not a public market for the limited partnership interests and they will not be transferable without the consent of the general partner of the Fund.

Principal Global Investors is the asset management arm of the Principal Financial Group® (The Principal®)¹ and includes the asset management operations of the following subsidiaries of The Principal: Principal Global Investors, LLC; Principal Real Estate Investors, LLC; Principal Enterprise Capital, LLC; Spectrum Asset Management, Inc.; Post Advisory Group, LLC; Columbus Circle Investors; Edge Asset Management, Inc.; Morley Financial Services Inc.; Finisterre Capital, LLP; Origin Asset Management, LLP; Principal Global Investors (Europe) Limited; Principal Global Investors (Singapore) Ltd.; Principal Global Investors (Australia) Ltd.; Principal Global Investors (Japan) Ltd.; Principal Global Investors (Hong Kong) Ltd.; Liongate Capital Management, LLP.; CIMB-Principal Islamic Asset Management Sdn. Bhd.; and the majority owned affiliates of Principal International, Inc. Assets under management includes assets managed by investment professionals of Principal Global Investors under dual employee arrangements with other subsidiaries of The Principal and assets managed in accordance with investment advice provided by Principal Global Investors through the delivery of a model.

¹"The Principal Financial Group" and "The Principal" are registered trademarks of Principal Financial Services, Inc., a member of the Principal Financial Group.

PRINCIPAL ENHANCED PROPERTY FUND

- Principal Enhanced Property Fund, L.P. is an open-end, commingled fund sponsored and managed by Principal Real Estate Investors. Notable features and objectives of the Fund include:
 - Pursues a nationally diversified portfolio of high-quality assets
 - Pursues an “enhanced” or “core plus” investment strategy
 - The Fund currently pays a 5% annual dividend yield¹ and seeks to provide market competitive total returns



¹The dividend rate is subject to change and is not guaranteed.

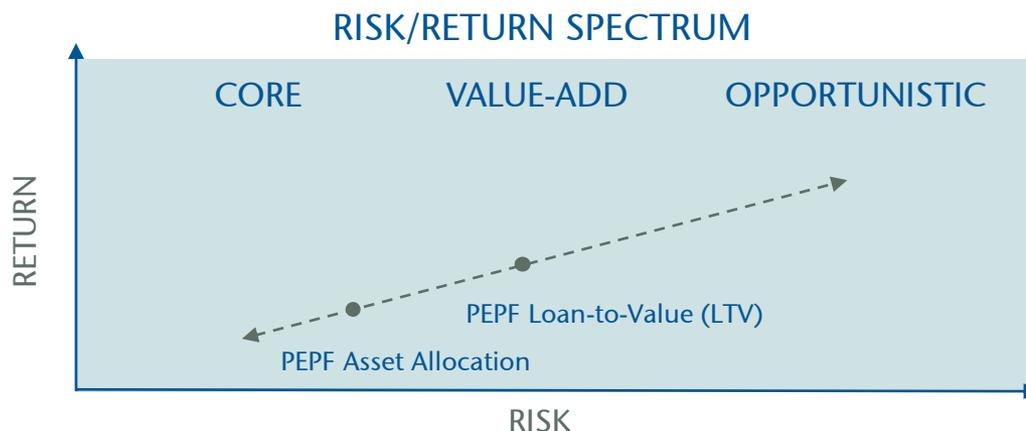
INVESTMENT STRATEGY

ASSET ALLOCATION

- Focus on stabilized, income producing assets (must constitute at least 75% of Gross Asset Value)
- Consider value-add and development opportunities to enhance total returns (up to 25% of Gross Asset Value)
- Pursue property types and markets that provide relative value

LEVERAGE

- Utilize moderate leverage (target 40% - 45% LTV) to attempt to enhance Fund returns and portfolio diversification*

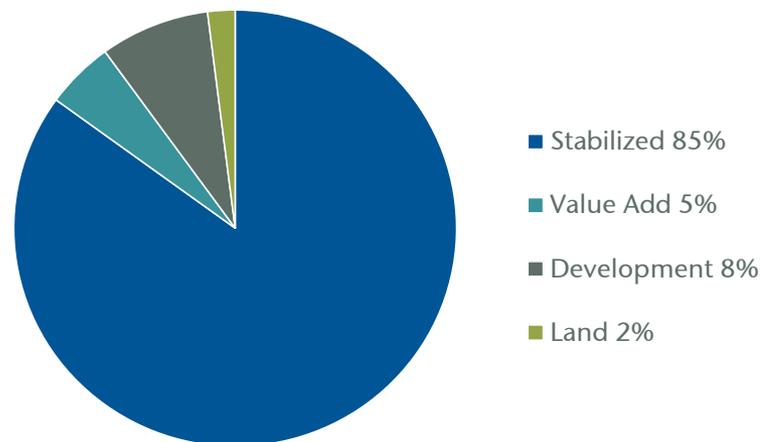


*Leverage is allowed up to 50% LTV at the Portfolio level and 75% LTV at the individual asset level. May increase to 60% LTV at Portfolio level for investor liquidity or capital expenditures. Use of leverage involves risk and magnifies the extent of investment gains and losses of the Fund.

INVESTMENT THEMES

- FOCUS ON INCOME GROWTH
 - Buy growing income streams
 - Sell flat income streams
- UTILIZE NON-CORE ALLOCATION TO SEEK BEST RISK-ADJUSTED OPPORTUNITIES
 - Lease-to-core
 - Build-to-core
- TECHNOLOGY, HEALTHCARE, AND HOUSING INDUSTRIES
 - Expected to lead expansion
 - Favor certain markets
- DISPOSE OF NON-STRATEGIC ASSETS

RISK PROFILE



As of 31 March 2016

FUND PROFILE

KEY STATISTICS

31 MARCH 2016

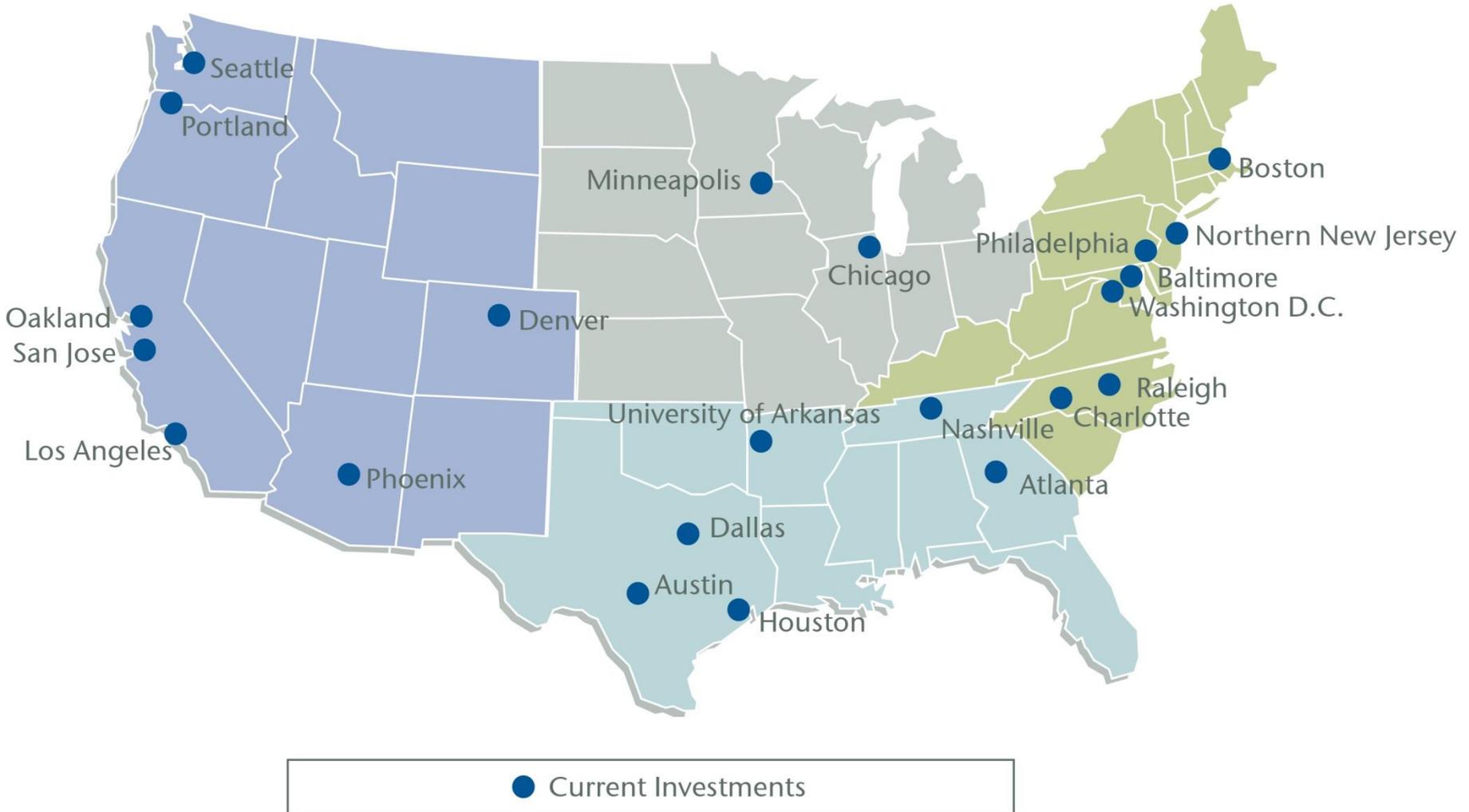
• Inception	May 2004
• Gross Asset Value	\$2.08 billion
• Net Asset Value	\$1.16 billion
• Investments	40
• Investors	51
• Leverage Ratio ¹	39%
• Portfolio Occupancy	95%
• Occupancy of Stabilized Assets (≥ 80% leased)	96%



PIEDMONT TOWN CENTER
Charlotte, NC

¹PEPF Share of total debt (both property and portfolio) divided by PEPF share of total gross assets

MARKET DIVERSIFICATION



As of 31 March 2016

OFFICE SECTOR

CURRENT POSITION

- Portfolio Weight – 45%
- NCREIF Weight – 37%

SECTOR STRATEGY

- Strategic Range – 35%-45%
- Reduce overweight position
- Class A / Urban Locations
- Execute lease-to-core



TECH PLACE ON 101
San Jose, California

As of 31 March 2016

RETAIL SECTOR

CURRENT POSITION

- Portfolio Weight – 18%
- NCREIF Weight – 23%

SECTOR STRATEGY

- Strategic Range – 15%-20%
- Remain underweight
- Buy primarily necessity-based formats
- Seek value-add opportunities



ALHADEFF COLISEUM
Seattle, WA

As of 31 March 2016

MULTIFAMILY SECTOR

CURRENT POSITION

- Portfolio Weight – 18%
- NCREIF Weight – 24%

SECTOR STRATEGY

- Strategic Range – 20%-30%
- Reduce underweight
- Markets with positive renter demographics
- Execute build-to-core in compelling locations
- Buy / build campus proximate student housing



CHERRY CREEK (Coda)
Denver, CO

As of 31 March 2016

INDUSTRIAL SECTOR

CURRENT POSITION

- Portfolio Weight – 17%
- NCREIF Weight – 14%

SECTOR STRATEGY

- Strategic Range – 15%-20%
- Maintain overweight
- Remain primarily in warehouse sub-sector
- Execute lease-to-core and build-to-core



OAKESDALE
Seattle, WA

As of 31 March 2016

TOP 10 ASSETS

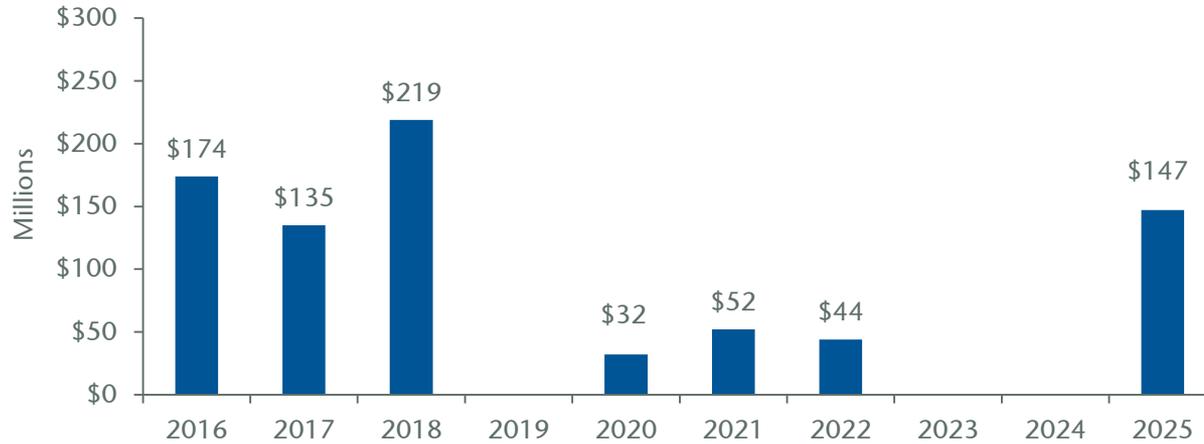


PROPERTY	MSA	SECTOR	% OF GROSS REAL ESTATE ASSETS	OCCUPANCY
1 Piedmont Office	Charlotte	Office	7%	100%
2 Noble Energy Center II	Houston	Office	6%	100%
3 Cerritos Towne Center	Los Angeles	Office	5%	87%
4 Bay Center	Oakland	Office	5%	95%
5 The Courts at Spring Mill Station	Philadelphia	Multifamily	5%	80%
6 Quaker Tower	Chicago	Office	4%	100%
7 Baybrook Square	Houston	Retail	4%	99%
8 Bay Area Business Park (Phase 1)	Houston	Industrial	4%	100%
9 Mid-South Logistics Center	Nashville	Industrial	4%	100%
10 Tech Place on 101	San Jose	Office	3%	100%

As of 31 March 2016

DEBT SUMMARY

DEBT MATURITIES



INTEREST RATE % OF TOTAL DEBT

Fixed Interest Rate Obligations	3.6%	60%
Floating Interest Rate Obligations	2.2%	40%
Total Obligations	3.0%	100%

- Remaining term on fixed-rate debt is 4.8 years

As of 31 March 2016

PERFORMANCE SUMMARY

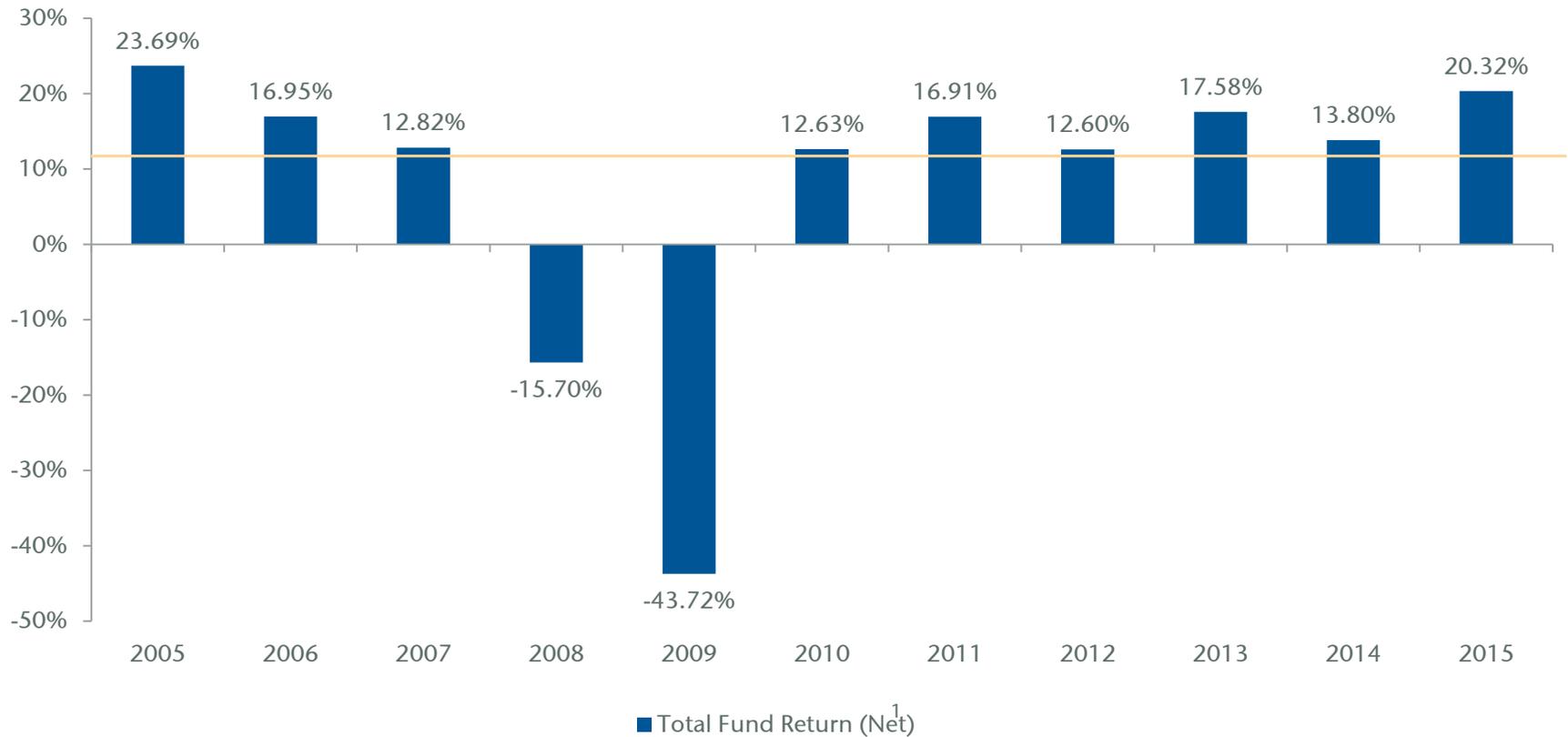
	1Q 2016	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION ⁴
PEPF Total Return (Gross) ¹	3.27%	22.57%	19.26%	18.33%	8.24%
NFI-ODCE VW Index (Preliminary)	2.21%	13.70%	13.64%	13.26%	8.22%
PEPF Total Return (Net) ²	2.89%	19.49%	16.77%	15.99%	6.30%
PEPF Dividend Yield ³	1.25%	5.00%	6.68%	6.01%	5.06%

- Income growth is driving the Fund's appreciation
- Industrial sector was best performer over the past year

As of 31 March 2016. ¹Total Return (Gross) is levered, after Fund expenses and cash, but before fees. ²Total Return (Net) is levered, after fees, Fund expenses and cash. Fees include asset management fees which are billed outside the Fund, financing and incentive fees which are expensed, and development fees which are capitalized. ³Dividend Yield for the quarter is the quarterly dividend per Share divided by the beginning of quarter Share Price. YTD and One-Year Dividend Yield is the sum of quarterly Dividend Yields for the period. Three-Year, Five-Year and Since Inception Dividend Yield is the average quarterly Dividend Yield for the period times four. ⁴Since Inception Returns from 18 May 2004. Returns over one year are annualized. As with all real estate investments, past performance is not necessarily indicative of future returns of the Fund. The ultimate returns realized by the Fund will depend on numerous factors, which are subject to uncertainty.

ANNUAL PERFORMANCE SUMMARY

TOTAL FUND RETURN (NET) HAS EXCEEDED 11% HURDLE 9 OUT OF 11 CALENDAR YEARS



As of 31 March 2016

¹Fund Total Returns (net) are levered, after fees

Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions

NET OPERATING INCOME (NOI) PROJECTED GROWTH

EXISTING PORTFOLIO¹
PROJECTED NOI (\$U.S. MILLIONS)



DRIVERS OF NOI GROWTH FROM EXISTING ASSETS

Stabilized Assets \$20 million

Noble Energy Center II, Bay Center, Cerritos,
Piedmont Town Center, Jupiter, 1290
Broadway, 200 Kimball, 2401 Penn

Value-Add/Development Assets \$12 million

Shops at Gainey, Coda, Tech Place on 101

Total NOI Growth by 2018 \$32 million

- Over 42% cumulative NOI growth forecasted through 2018
- Approximately 50% of NOI growth through 2018 is contractually in place
- Remainder of growth will primarily come from leasing vacant space and rollover

As of 31 December 2015

¹Existing portfolio is defined as all assets owned by the Fund as of 31 December 2015 that were also owned at the beginning of 2015. Projections for 2016 through 2018 assume all of the same assets are also owned by the Fund through December 31, 2018. Projections are based on discounted cash flow models generated by Fund's independent Valuation Consultant and assume no early lease terminations, no events of payment default and all expiring leases during the projection periods are re-leased at the assumed then current market rates. There is no guarantee such forecasts will be achieved.



For One-on-One Use Only

WHY PEPF?



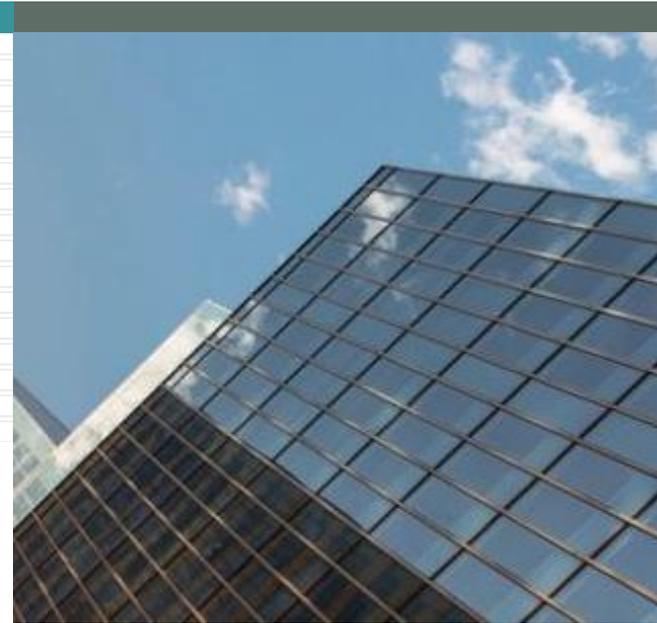
¹This dividend rate is subject to change and is not guaranteed.

²18 properties total \$1,258.7 million (62% of gross assets)

³2015 Global Real Estate Sustainability Benchmark Survey, data as of 31 December 2014

Past performance is not a reliable indicator of future performance

PRINCIPAL ENHANCED PROPERTY FUND, L.P. APPENDIX



PORTFOLIO MANAGEMENT – A TEAM APPROACH

PRINCIPAL ENHANCED PROPERTY FUND PORTFOLIO MANAGEMENT TEAM

JAY B. DAVIS	Senior Managing Director, Portfolio Management
TODD WHITE	Managing Director, Portfolio Management
MARK SCHOLZ	Portfolio Manager
BRENT HEEMSKERK	Portfolio Analyst
COLIN FRYE	Portfolio Analyst

PRINCIPAL ENHANCED PROPERTY FUND MANAGEMENT COMMITTEE

- Meets at least quarterly
- Set strategy & guidelines
- Reviews performance
- Approves all major decisions

PRODUCTION GROUP INTERACTION ASSET MANAGEMENT & ACQUISITIONS/DISPOSITIONS

- Asset Management
- Formal quarterly property review meeting
 - On-going material event meetings
- Acquisitions/Dispositions
- Formal weekly meetings
 - On-going activity meetings

ADVISORY COMMITTEE

- Meets quarterly
- Reviews Fund operations
- May approve changes to Fund restrictions or related property transactions

INVESTMENT GUIDELINES

PROPERTY TYPE*

- The Fund will only invest in office, retail, industrial and multi-family properties

LOCATION

- Seek geographic diversification
- Focus on 25 to 30 U.S. markets with MSA population > one million**

TRANSACTION SIZE

- \$10 million to \$100 million
- May consider smaller or larger properties

LEVERAGE

- Up to 50% LTV at Portfolio level
- Up to 75% LTV at individual asset level
- May increase to 60% LTV at Portfolio level for investor liquidity or capital expenditures

STRUCTURE

- Most assets (> 50%) acquired on direct basis
- Joint ventures with qualified partners considered if Fund has majority ownership and appropriate liquidity & control mechanisms

HOLD/SELL STRATEGY

- Hold most assets for 5 to 7 years
- Consider sale earlier as market conditions dictate

*Not less than 10% or more than 50% allocation to each property sector; also subject to +/- 50% variance to current NCREIF Property Index allocation.

**The Fund can make student housing investments in markets with population < one million.

SUMMARY OF TERMS

INCEPTION DATE

- 18 May 2004

LEGAL STRUCTURE

- Delaware limited partnership; each investment structured as a domestically controlled REIT

INVESTORS

- U.S. and foreign* pension funds, foundations, endowments and private investors

MINIMUM INVESTMENT

- \$1.0 million

CONTRIBUTIONS

- Monthly

DISTRIBUTIONS

- Quarterly with re-investment option

REDEMPTION

- Quarterly with 90 days' notice

CO-INVESTMENT

- \$25 million co-investment by Principal Life

*Any sales to foreign investors are not through Princor

FEE STRUCTURE

- ASSET MANAGEMENT FEE**
- Based on current NAV¹ of each investor's interest in the Fund; payable quarterly in arrears

Total Equity Invested	Annual Fee ²
Up to \$1 million	150 bp
\$1 million up to \$5 million	140 bp
\$5 million up to \$10 million	130 bp
\$10 million up to \$50 million	120 bp
\$50 million up to \$100 million	110 bp
\$100 million up to \$150 million	100 bp
\$150 million or greater	85 bp

- INCENTIVE FEE**
- 15% of excess over an 11% Fund level IRR (after fees and expenses); payable every three years subject to 50% reserve/clawback

- EXPENSES**
- Fund pays formation, operating and management costs

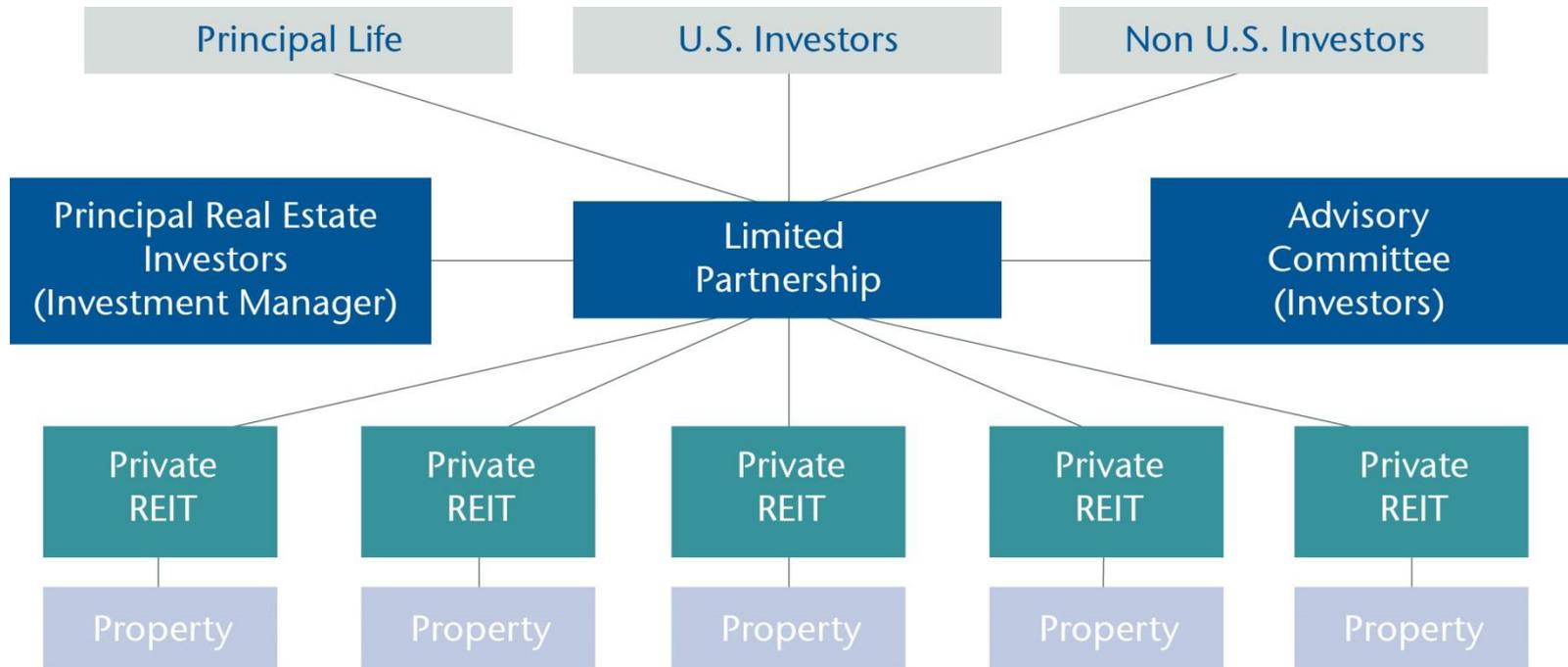
¹NAV is determined based upon appraised values to be updated quarterly by an independent valuation consultant.

²Fee structure based on investor's total equity investment, net of redemptions at cost

When a client increases the amount of their investment into a lower asset management fee tier, the entire balance is charged the lower fee level

FUND STRUCTURE

- Domestically-controlled private REIT structure is unique among U.S. open-end funds
- Provides tax benefits to certain non-U.S. investors*



*Any sales to foreign investors are not through Prncor. Principal Real Estate Investors is not a tax consultant. Please consult with your tax adviser before investing. It is your responsibility to be aware of and observe the applicable tax laws and regulations of your country of residence.

2016 TRANSACTION ACTIVITY

ACQUISITION/DEVELOPMENT	RISK PROFILE	TYPE	SIZE	LOCATION	ESTIMATED COST ¹
BW Gateway	Development	Industrial	289,475 sf	Baltimore	\$24.4 M
TOTAL ACQUISITION/DEVELOPMENT ACTIVITY					\$24.4 M

DISPOSITION	RISK PROFILE	TYPE	SIZE	LOCATION	SALES PRICE ²
Jupiter Industrial	Stabilized	Industrial	419,961 sf	Dallas	\$20.2 M
TOTAL DISPOSITION ACTIVITY					\$20.2 M



Jupiter Industrial



BW Gateway

As of 31 March 2016

¹Estimated cost reflects total development cost.

²Sales price reflects PEPP's ownership interests.

There can be no assurance that transactions which have not yet closed will ever close.

DEVELOPMENT SUMMARY

DEVELOPMENT	TYPE	SIZE	LOCATION	ESTIMATED COST ¹ (M)	TARGET STABILIZATION
Bellevue North	Retail	74,359 sf	Seattle	\$37.8 M	3Q2016
Coda	Multifamily	185 units	Denver	\$55.9 M	1Q2017
3118 W. Lake	Multifamily	164 units	Minneapolis	\$38.3 M	3Q2017
East Valley Commerce Center	Industrial	345,286 sf	Phoenix	\$24.2 M	4Q2017
BW Gateway	Industrial	289,475 sf	Baltimore	\$24.4 M	4Q2017
Bay Area Business Park - Phase II	Industrial	829,415 sf	Houston	\$51.6 M	1Q2018
M-Line Tower	Multifamily	262 units	Dallas	\$67.9 M	2Q2018
TOTAL DEVELOPMENT ACTIVITY				\$300.1 M	



As of 31 March 2016

¹Estimated cost reflects total development cost.

There can be no assurance that transactions which have not yet closed will ever close. Illustrated properties are architect's renderings. Some properties shown are still under construction.

PORTFOLIO SUMMARY

PROPERTY	MSA	ACQUISITION DATE	AREA SF/UNITS	3/31/2016 OCCUPANCY	VALUE ¹ (\$ MM)
Quaker Tower	Chicago	11/10/04	418,769	100%	\$87.0
1290 Broadway	Denver	8/22/05	251,551	98%	\$66.6
Cerritos Towne Center	Los Angeles	10/27/06	459,767	87%	\$111.9
Alhadeff Office ²	Seattle	3/26/07	138,332	41%	\$35.5
Gainey Center	Phoenix	4/11/07	140,772	98%	\$36.7
Bay Center	Oakland	6/1/07	327,380	95%	\$110.4
Piedmont Office	Charlotte	10/18/07	415,171	100%	\$140.7
200 Kimball	Northern N.J.	4/9/08	175,093	91%	\$43.3
Noble Energy Center II	Houston	5/27/11	470,623	100%	\$130.3
Tech Place on 101	San Jose	10/21/14	201,754	100%	\$71.3
2401 Penn Office	Washington D.C.	12/2/14	63,228	89%	\$40.8
Parkridge Four	Denver	10/20/15	192,359	100%	\$43.0
OFFICE SUBTOTAL			3,254,799 SF	94.3%	\$917.5
Saltbox Village	Raleigh	5/18/04	53,416	100%	\$11.9
Baybrook Square	Houston	6/17/05	301,280	99%	\$81.0
Shops at Gainey Village	Phoenix	7/15/05	138,887	70%	\$56.1
Ballard Blocks I	Seattle	7/2/09	131,954	95%	\$53.7
Alhadeff Coliseum	Seattle	3/26/07	16,200	100%	\$21.5
Best Buy	Seattle	7/3/07	45,000	100%	\$19.4
Piedmont Retail	Charlotte	10/18/07	73,254	98%	\$19.6
Bellevue North ³	Seattle	8/18/09	0	N/A	\$24.3
Coleman Village	Atlanta	8/14/14	90,958	99%	\$18.3
2401 Penn Retail	Washington D.C.	12/2/14	19,260	50%	\$13.4
The Launch	Boston	6/9/15	236,339	92%	\$58.4
RETAIL SUBTOTAL			1,106,548 SF	92.3%	\$377.6

As of 31 March 2016

¹Value reflects the Fund's ownership interests

²Alhadeff Office Portfolio includes two investments

³Development asset

Due to rounding, figures and percentages shown may not add to the totals or equal 100%.

PORTFOLIO SUMMARY

PROPERTY	MSA	ACQUISITION DATE	AREA SF/UNITS	3/31/2016 OCCUPANCY	VALUE ¹ (\$M)
Mid-South Logistics Center	Nashville	10/17/06	1,531,012	100%	\$72.7
Oakesdale Bld D	Seattle	1/16/07	59,234	100%	\$7.8
Oakesdale	Seattle	1/16/07	534,106	100%	\$58.2
Bay Area Business Park (Phase I)	Houston	1/17/07	1,179,960	100%	\$75.0
Bay Area Business Park (Phase II) ²	Houston	1/17/07	0	N/A	\$31.9
Rivergate	Portland	2/5/07	527,934	82%	\$33.0
Woodridge Commerce Center	Chicago	9/27/07	146,827	99%	\$11.8
Cascade Distribution Center	Portland	12/14/07	303,626	100%	\$25.4
East Valley Commerce Center ²	Phoenix	7/9/15	0	N/A	\$19.6
BW Gateway ²	Baltimore	1/0/00	0	N/A	\$6.1
INDUSTRIAL SUBTOTAL			4,282,699 SF	97.8%	\$341.4
Domain at Kirby	Houston	4/1/11	293	93%	\$61.5
Coda ²	Denver	4/18/13	0	N/A	\$46.3
21 Rio	Austin	11/5/14	158	99%	\$36.0
2401 Penn Apts	Washington D.C.	12/2/14	40	90%	\$24.1
The Academy at Frisco	Univ. of Arkansas	1/29/15	219	99%	\$45.9
3118 West Lake ²	Minneapolis	2/25/15	0	N/A	\$12.5
Shortbread Lofts	Raleigh	8/5/15	85	99%	\$35.0
M-Line Tower ²	Dallas	10/21/15	0	N/A	\$12.5
The Courts at Spring Mill Station	Philadelphia	10/7/15	385	80%	\$92.7
MULTIFAMILY SUBTOTAL			1,180 UNITS	91.7%	\$366.4
Bellevue South Land	Seattle	8/18/09	5.0	N/A	\$17.4
Ballard Blocks II	Seattle	3/31/09	2.4	N/A	\$7.9
Tech Place on 101 – Phase II	San Jose	10/1/15	8.0	N/A	\$18.5
LAND SUBTOTAL			15.4 ACRES		\$43.8
TOTAL PORTFOLIO			8,644,046 SF 1,180 UNITS 15.4 ACRES	95.3%	\$2,046.7 M

As of 31 March 2016

¹Value reflects the Fund's ownership interest

²Development asset

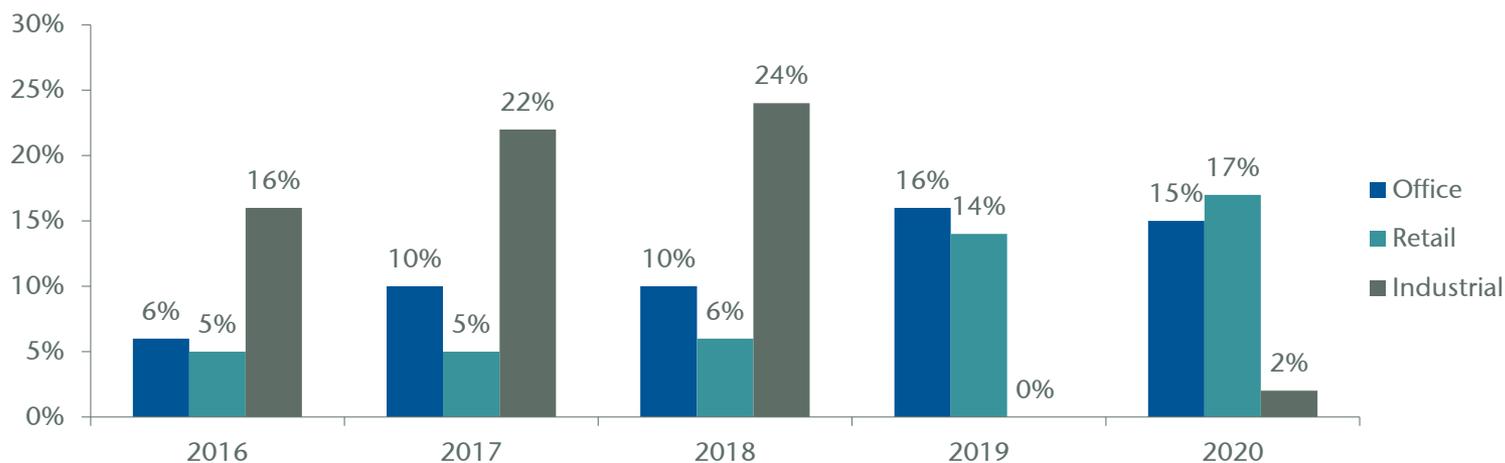
Due to rounding, figures and percentages shown may not add to the totals or equal 100%.

LEASE ROLLOVER

PORTFOLIO ROLLOVER – EXCLUDING APARTMENTS¹

LEASE EXPIRATION	VACANT ²	2016	2017	2018	2019	2020	THEREAFTER
Area SF	255,093	1,123,401	1,571,882	1,656,114	719,096	802,577	3,520,190
Annual % ³	3%	12%	16%	17%	7%	8%	36%
Cumulative % ³	3%	14%	31%	48%	55%	64%	100%

PROPERTY SECTOR ROLLOVER⁴



As of 31 December 2015

¹Portfolio rollover shows when leases are scheduled to expire and assumes tenants fulfill their signed lease commitments. ²Current vacancy does not include signed leases where tenant has yet to occupy space ³Annual and cumulative percentages shown are based on the total square footage of the expiring leases in the periods shown divided by current square footage in the Portfolio excluding apartments. Projections are based on signed leases and assumes fulfillment. ⁴ Reflects annual percentage of lease expirations for each property sector based on the current property sector square footage

PEPF GREEN PROJECTS

PROPERTY	TYPE	AREA	VALUE/COST ¹	CERTIFICATION
Bay Area Business Park	Industrial	1,179,960 SF	\$75.0 M	LEED – Base
Cerritos Towne Center	Office	459,767 SF	\$111.9 M	LEED - Silver/EB
Ballard Blocks	Retail	131,954 SF	\$53.7 M	LEED – Silver
Bay Center A & C	Office	243,760 SF	\$84.2 M	LEED EB – Silver
Gainey Center	Office	140,772 SF	\$36.7 M	LEED EB – Silver
Noble Energy Center II	Office	470,623 SF	\$130.3 M	LEED – Gold
200 Kimball	Office	175,093 SF	\$43.3 M	LEED EB – Gold
1290 Broadway	Office	251,551 SF	\$66.6 M	LEED EB – Platinum
Piedmont Town Center	Office	415,171 SF	\$140.7 M	LEED EB – Gold
Quaker Tower	Office	418,769 SF	\$87.0 M	LEED EB - Gold/Platinum
Domain at Kirby	Multifamily	293 Units	\$61.5 M	ENERGY STAR
Oakesdale	Industrial	593,340 SF	\$66.0 M	ENERGY STAR
Cherry Creek (Coda)	Multifamily	185 Units	\$46.3 M	LEED - Gold
21 Rio	Multifamily	158 Units	\$36.0 M	LEED EB – Silver
Tech Place on 101	Office	201,754 SF	\$71.3 M	LEED – Silver
M-Line Tower	Multifamily	262 Units	\$12.5 M	LEED – Base
Parkridge Four	Office	192,359 SF	\$43.0 M	LEED EB – Gold
The Courts at Spring Mill Station	Multifamily	385 Units	\$92.7 M	LEED – Silver

- PEPF has achieved or is pursuing LEED or ENERGY STAR certification at 18 existing properties totaling \$1,258.7 million, or 62% of gross real estate assets. (21 properties have achieved LEED or ENERGY STAR certification since inception)
- PEPF will evaluate and pursue LEED certification where it makes sense on future acquisitions and developments.
- PEPF ranked #6 among 33 U.S. diversified property funds that participated in the 2015 Global Real Estate Sustainability Benchmark Survey²

As of 31 March 2016

¹Reflects PEPF's ownership interest

²Data as of 31 December 2014

GREEN IMPACT

MORE THAN 3 MILLION SQUARE FEET OF LEASES AND \$524 MILLION OF RENTAL REVENUES FROM GREEN INITIATIVES

LEASES AT GREEN BUILDINGS:

PROPERTY	TENANT	SIZE	RENTAL REVENUE ¹	LOCATION	BUILDING CERTIFICATION
Noble Energy Center II	Noble Energy	456,000 SF	\$162 M	Houston	LEED – Gold
Noble Energy Center I ²	Noble Energy	497,477 SF	\$118 M	Houston	LEED EB – Gold
Tech Place on 101	Apple	201,754 SF	\$100 M	San Jose	LEED – Silver
Quaker Tower	Quaker/Pepsi	409,798 SF	\$68 M	Chicago	LEED EB - Gold/Platinum
Energy Center I ²	Foster Wheeler	332,000 SF	\$61 M	Houston	LEED – Silver
Franklin Center ²	SAIC	198,634 SF	\$54 M	Baltimore	LEED – Gold
1290 Broadway	ALPS/Regional Government	133,667 SF	\$34 M	Denver	LEED EB – Gold
Energy Center II ²	Worley Parsons	141,263 SF	\$20 M	Houston	LEED – Gold
Bay Area Business Park	Multiple	1,179,960 SF	\$16 M	Houston	LEED – Base

WE CONTINUE TO MONITOR OPERATIONAL SAVINGS, TENANT SATISFACTION AND ENERGY SAVINGS AT THE FUND'S GREEN BUILDINGS

As of 31 March 2016

¹Represents total rental revenue over the lease term

²Sold Property

BIOGRAPHIES

PEPF PORTFOLIO MANAGEMENT TEAM

Jay B. Davis - Senior Managing Director, Head of Private Equity Portfolio Management

Jay is senior managing director at Principal Real Estate Investors and oversees the firm's private equity portfolio management group. Since 1982, Jay has been involved in real estate investment management on behalf of institutional investors, both non-U.S. and domestic. Jay joined the firm in early 2000 and has been active in portfolio management and new business development. Previously, he was vice president and co-head of asset management with J.P. Morgan Investment Management in New York. Jay was also senior vice president and director of portfolio management with The O'Connor Group. He received a bachelor's degree in real estate and finance from Missouri State University. Jay is on the board of directors of the Association of Foreign Investors in Real Estate (AFIRE), and is a member of the Pension Real Estate Association (PREA) and the International Council of Shopping Centers (ICSC). He also serves on Principal Real Estate Investors' Investment Committee.

Mark Scholz - Director, Portfolio Management

Mark is a director, portfolio management for Principal Real Estate Investors. He is a member of the portfolio management team for the Principal Enhanced Property Fund. He joined the firm in 1992. Prior to his current role, Mark was an investment director of asset management for Principal Real Estate Investors. Mark has 15 years of asset management experience throughout the United States, with most recent responsibility for the Washington, D.C., corridor and Florida. Mark has previous real estate experience with Merrill Lynch and Northwestern National Life Insurance. Mark has an MBA in finance from the University of Minnesota and a bachelor's degree in business administration from the College of St. Thomas.

Todd White - Managing Director, Portfolio Management

Todd is a managing director on the portfolio management team at Principal Real Estate Investors. He is the fund manager of the Principal Enhanced Property Fund, LP on which he has worked since its inception in 2004. Todd joined the firm in 2000. Previously he worked for Clark Retail Enterprises (Chicago) as an acquisition manager and Deloitte as a senior auditor. Todd received a bachelor's degree in accounting from the University of Northern Iowa in 1994 and was an Elijah Watts Sells Award bronze medalist on the May 1994 CPA exam. He is a member of the Pension Real Estate Association (PREA) and the National Association of Real Estate Investment Managers (NAREIM).

Brent Heemskerk – Portfolio Analyst

Brent is a commercial real estate portfolio analyst for Principal Real Estate Investors. He is responsible for providing analytical, research and reporting support for the Principal Enhanced Property Fund. Prior to his current role, Brent was an asset manager working in the Eastern Region with his most recent responsibilities including New York, Boston, and New Jersey. Brent holds an MBA and bachelor's degrees in finance, marketing, general business and entrepreneurial management from Drake University.

Colin Frye - Portfolio Analyst I

Colin is a commercial real estate portfolio analyst for Principal Real Estate Investors. He is responsible for providing analytical, research and reporting support for the Principal Enhanced Property Fund. Colin has completed two internships with the Principal Enhanced Property Fund in 2014 and 2015. He received a bachelor's degree in real estate and finance from the University of Northern Iowa.

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