

Core Real Estate Debt

Investment Strategy & Facts

Inception Date

April 1, 2004

Total Assets (\$M)¹

\$5,745.98

Number of Loans

322

Average Loan Size (\$M)

\$19.5

Target Return (%)²

Seeks 5.50 - 7.00%

Standard Deviation (%)³

4.66

Coupons

Fixed

Loan Terms

Primarily 3 to 10 years; up to 25 years

Appraised LTV

Up to 70%

Target Debt Yield

Generally, 1.20x and above

Available Vehicles

Participation Structure,
Separately Managed Account

Portfolio Management Team

Joe Burke, CRI, FLMI - Head of CRE

Julian Foster, CRI - Head of Loan
Origination

Sponsor Overview

- > 30-year track record investing in commercial mortgage loans
- > 26 dedicated team members – all centralized in Chicago
- > Senior leadership team averages 35 years of real estate experience and 24 years average firm tenure
- > Deep middle-market relationships in more than 50 markets resulting in 61% of new business coming from repeat borrowers⁴
- > Insurance company DNA resulting in heightened portfolio surveillance and monitoring of potential macro- and property-level risks

Strategy Description

Core Real Estate Debt is an income strategy that seeks enhanced returns above investment grade fixed income products by providing first mortgage debt on stabilized income producing commercial properties. We lend to middle-market and institutional sponsorships in markets we believe have stable or improving fundamentals. The loan collateral typically is of higher quality and in established locations which we believe helps to insulate the investment from significant value fluctuations over time.

Performance (%)	QTD	1 Year	3 Year	5 Year	15 Year
Core CMLs (Gross)	2.17	8.78	5.20	2.86	4.04
Core CMLs (Net)	2.08	8.40	4.83	2.50	3.68
Bloomberg US Intermediate Credit Index	2.09	7.64	4.90	1.45	3.26
Excess Return vs. Benchmark (Gross)	+0.08	+1.14	+0.30	+1.41	+0.78

As of June 30, 2025. Returns greater than one year are annualized. The performance shown represents the returns from senior secured Commercial Mortgage Loans originated by PPM on or after April 1, 2004. There is no universally accepted index for Commercial Mortgage Loans, but investors track total returns versus public benchmarks of their own choosing. Net of fee performance reflects the gross performance reduced by an annual model management fee of 0.35%. Additional information is available upon request. **Past performance is no guarantee of future results.**

Recent Transactions



Houston, TX
Multifamily
Refinance

2008-built, 363-unit apartment community
Loan Size: \$28.0 Million
Term: 5 Years



Mesquite, TX
Multifamily
Refinance

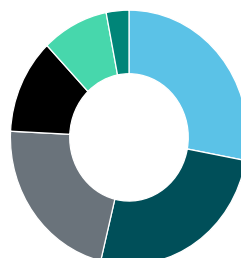
2000-built, 295-unit garden garden-style apartment community
Loan Size: \$30.0 Million
Term: 3 Years



Charlotte, NC
Hotel
Refinance

2001-built and 2024-renovated, 150-key hotel
Loan Size: \$18.0 Million
Term: 5 Years

Property Type Exposure⁵



- 28% Multifamily
- 26% Industrial
- 22% Retail
- 12% Hotel
- 9% Office
- 3% Other

(1) AUM includes committed but unfunded capital. (2) Upfront and ongoing fees may be used to enhance returns. (3) Annualized standard deviation (gross) since inception. (4) Percentage represents average loans under application, committed loans, and closed loan amounts to repeat borrowers for the last ten calendar years. (5) Due to rounding, numbers may not add up to the totals provided and percentages may not precisely reflect the absolute figure.

Typical Lending Parameters

General Characteristics		Core (Fixed Rate)
Investment Structure	First Mortgage	
Loan Sizes	Single Asset Loans: \$10M - \$60M; Geographically Diverse Portfolio Loans: up to \$150M	
Interest Rates	T + 150 - 250 bps	
Target Returns ²	5.50 - 7.00%	
Appraised LTV	Up to 70%	
Term (Duration)	Primarily 3 to 10 years; up to 25 years	
Call Protection	Typically covers most of the loan term	

Loan-to-Value Ratio by Property Type ⁶	LTV Current UPB/ UW Appraised (%)
Multifamily	49.4
Office	46.8
Industrial	50.9
Hotel	34.4
Retail	47.7
Other	35.4
Total	46.9

For additional information, please visit ppmamerica.com or contact globalbusinessdevelopment@ppmamerica.com.

As of June 30, 2025. Forward looking statements and targets are subject to uncertainties that could cause actual developments and results to differ materially from the expectations expressed. (2) Upfront and ongoing fees may be used to enhance returns. (6) Loan-to-Value Ratio (LTV) is calculated by dividing the initial loan amount borrowed at closing by the 'As-is' appraised value of the property. (7) Debt-Service Coverage Ratio (DSCR) is calculated by dividing net operating income at committee approval by the initial loan amount.

Past performance is no guarantee of future results. Investments involve varying degrees of risk and may lose value.

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All returns reflect the reinvestment of dividends and capital gains, where applicable, and the deduction of transaction costs. The gross performance figures reflect the deduction of transaction costs but not investment advisory fees or external custodial charges. A client's actual return will

Regions	% of Total
West	29.8
Southeast	26.0
Central	17.9
Northeast	13.9
Midwest	12.4
Total	100.0

Debt Service Coverage Ratio by Property Type ⁷	DSCR
Multifamily	1.90x
Office	2.43x
Industrial	2.34x
Hotel	3.14x
Retail	2.20x
Other	2.46x
Total	2.30x

be reduced by investment advisory fees and other expenses. Net of fees returns are based on the highest advisory fee rate as reflected in the standard fee schedule for the strategy. The deduction of investment advisory fees would have a compounding effect, which will increase the impact of the fees by an amount directly related to the gross account performance.

Indices are unmanaged and are not available for direct investment. The index returns do not reflect management fees, transaction costs, or other expenses, with the exception of ICE indices that do reflect transaction costs. Performance of any index does not represent actual portfolio performance. A portfolio may differ significantly from the securities included in an index. Any index information provided is for comparison purposes only to reflect general market conditions for the period shown.

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Standard Fee Schedule	Annual Fee	Min. Account Size	Min. Fee
First \$250 million	0.35%		
Next \$250 million	0.30%	\$100M	\$350,000
Thereafter	0.25%		

Fees may be negotiated in lieu of the standard fee schedule.

Benchmark: Bloomberg US Intermediate Credit Index
The Bloomberg US Intermediate Credit Index measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with less than ten years to maturity. It is composed of a corporate component and a non-corporate component that includes non-US agencies, sovereigns, supranationals and local authorities.

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