

## Nuveen Global Cities REIT Portfolio Update

Marketing communication | 19 Sep 2023

Nuveen Global Cities REIT, Inc. (GCREIT) continues to seek value for our investors on a global scale, while constructing and managing a portfolio that may provide resilience through both short-term and long-term market impacts. In the past year, investors have experienced significant market turmoil.

While we believe real estate property fundamentals continue to remain strong in most sectors and most markets, capital market headwinds exist in the form of higher interest rates and decreased liquidity triggering downward pressure on valuations for private real estate. However, GCREIT's valuations have begun to moderate, even seeing write-ups for certain assets. We see light ahead as we believe the cycle will turn and buying opportunities will become more attractive.

### What is going right in real estate?

While discussions in the market surrounding commercial real estate continue to swirl, especially as it relates to the office sector, we believe it is important to distinguish that many sectors continue to exhibit strong fundamentals: low vacancy and upward rental pressure.

**Industrial<sup>1</sup>:** Industrial demand remains healthy with national vacancy below 5%. New supply has caused vacancies to nudge up over the last few quarters, but vacancies remain well below long-term average. Additionally, future supply is pulling back significantly due to elevated construction financing costs, which bodes well for fundamentals in the medium term. This dynamic has resulted in GCREIT's industrial assets valuations increasing Q2, reflecting the strength of the sector. The REIT's industrial assets are 99%+ leased.

**Healthcare<sup>2</sup>:** Medical office demand continues to outpace new supply as the shift towards outpatient care continues. This demand continues to be fueled by patient preferences, high healthcare costs, and is further supported by an aging population. GCREIT has leased 95k square footage of healthcare space in the last 12 months at rates that are on average 7% above prior rents resulting in a well leased

portfolio at 97.8% and increases in valuations for the Fund's healthcare portfolio in Q2.

**Grocery-Anchored Retail:** We believe grocery-anchored or neighborhood retail continues to gain strength with fundamentals supporting a healthy leasing environment. Neighborhood retail vacancy remains below its long-term equilibrium in 48 of 50 US cities. Since 2021, store openings continue to outpace closures reflecting healthy retailers and strong demand for e-commerce resistant, in-person local shopping<sup>3</sup>. This demand is exemplified in GCREIT's retail assets which are 98% leased.

We believe Nuveen Global Cities REIT's portfolio is positioned well in this environment given the following:

- The REIT has a combined 95% allocation to industrial, housing, healthcare, grocery anchored retail and self-storage, all of which have proven to be resilient to current economic headwinds, as evidenced by the REIT's healthy balance sheet, durable cash flow, and high occupancy rates of 98%.
- The REIT's conservative leverage position (18.2% LTV) provides dry powder on our credit facility for the opportunity to invest in re-priced assets in a distressed setting. Additionally, the Fund has no near-term debt maturities.
- Additionally, the REIT's 6% allocation to floating rate mortgage originations provides increasing investment income, which offsets rising interest rate expenses, allowing the REIT to avoid cash flow erosion and be interest rate agnostic.
- The portfolio has a gross asset value of \$2.8B, consisting of direct and indirect investments in 496 properties located across leading global cities.

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 the offering. Any representation to the contrary is a criminal offense.

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Nuveen Real Estate, remains fully capable of investing and supporting all of its client portfolios and is committed to the welfare of its employees and clients. We have the benefit of the resources, planning, and strategy across Nuveen Real Estate and its parent, TIAA, a 100-year-old company with more than \$1.1 trillion of assets under management as of 30 Jun 2023. TIAA's \$300 million investment into Global Cities REIT remains a key feature, providing true co-alignment and attention from Nuveen Real Estate and its leadership team.

We believe that Global Cities REIT's commitment to quality, diversification, and strategic portfolio construction will continue to offer investors a competitive advantage.

<sup>1</sup> Source: CoStar Group, Inc., Nuveen Real Estate Research, as of April 2023.

<sup>2</sup> Source: American Hospital Association; Revista, March 2023.

<sup>3</sup> Source: Costar Advisory Services, 30 March 2023.

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**For more information contact: 800.752.8700 or visit [nuveenglobalreit.com](http://nuveenglobalreit.com)**

## Important disclosures:

All portfolio data in this commentary is as of 19 Sep 2023, unless otherwise disclosed.

Total asset value is measured as the gross asset value of real estate properties (based on fair value), the investment in our real estate-related securities measured at fair value, the equity investment in unconsolidated International Affiliated Funds (which includes the allocable share of the International Affiliated Funds' income and expense, realized gains and losses and unrealized appreciation or depreciation), any investments in commercial mortgage loans measured at fair value, plus cash and other assets, excluding restricted cash.

GCREIT directly owns 461 properties, including 384 single family homes, and has exposure to 35 additional properties owned by the International Affiliated Funds in which we have made an investment.

Leverage is measured using, as the numerator, property-level and entity-level debt and as the denominator, the gross asset value of real estate assets (calculated using the greater of fair value and cost of gross real estate assets including investment in our securities portfolio, our loan portfolio, and our allocable share of investments in unconsolidated International Affiliated Funds), inclusive of property-level and entity-level debt, plus cash, other assets and excluding restricted cash.

Certain information contained in this document constitutes "forward-looking statements" within the meaning of the federal securities laws and the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by the use of forward-looking terminology, such as "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "predicts," "intends," "plans," "estimates," "anticipates," "likely," or the negative versions of these words or other comparable words thereof. These may include our ability to successfully navigate through the current economic uncertainty, our financial projections and estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, and statements regarding future performance. Such forward-looking statements are inherently uncertain and there are or may be important factors that could cause actual outcomes or results to differ materially from those indicated in such statements. We believe such factors include the financial condition of our company and our portfolio and the state of financial markets. We believe these factors also include but are not limited to those described under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended 31 Dec 2022, and any such updated factors included in our periodic filings with the Securities and Exchange Commission. Except as otherwise required by federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Financial professionals should independently evaluate the risks associated with products or services and exercise independent judgment with respect to their clients.

Nuveen Real Estate is a real estate investment management holding company owned by Teachers Insurance and Annuity Association of America (TIAA). Nuveen Securities, LLC, member FINRA and SIPC, is the dealer manager for the Nuveen Global Cities REIT, Inc. offering.

## Risk factors:

Nuveen Global Cities REIT, Inc. is a non-listed REIT, which offers limited liquidity as compared to other products, such as publicly listed REITs. Investors in Nuveen Global Cities REIT, Inc. are not receiving publicly listed shares. An investment in Nuveen Global Cities REIT, Inc. involves a high degree of risk, including the same risks associated with an investment in real estate investments, including fluctuations in property values, higher expenses or lower expected income, currency movement risks and potential environmental liabilities. Please consider all risks carefully prior to investing in any particular strategy, including the following risks for Nuveen Global Cities REIT, Inc.:

There is no assurance that we will achieve our investment objectives.

This is a "blind pool" offering and other than the investments described in the prospectus, you will not have the opportunity to evaluate our investments before we make them.

Since there is no public trading market for shares of our common stock, repurchase of shares by us will likely be the only way to dispose of your shares. Our share repurchase plan provides stockholders with the opportunity to request that we repurchase their shares on a monthly basis, but we are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion. In addition, repurchases are subject to available liquidity and other significant restrictions. Further, our board of directors may suspend, modify or terminate our share repurchase plan if it deems such action to be in our best interest and the best interest of our stockholders. As a result, our shares should be considered as having only limited liquidity and at times may be illiquid.

The purchase and repurchase price for shares of our common stock is generally based on our prior month's NAV (subject to material changes as described above) and is not based on any public trading market. While there is independent periodic appraisals of our properties, the appraisal of properties is inherently subjective, and our NAV may not accurately reflect the actual price at which our assets could be liquidated on any given day.

We have no employees and are dependent on Nuveen Real Estate Global Cities Advisors and its affiliates to conduct our operations. Nuveen Real Estate Global Cities Advisors will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among us and Other Nuveen Real Estate Accounts, the allocation of time of investment professionals and the fees that we pay to Nuveen Real Estate Global Cities Advisors.

We cannot guarantee that we will make distributions, and if we do we may fund such distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources.

This is a "best efforts" offering. If we are not able to raise a substantial amount of capital in the near term, our ability to achieve our investment objectives could be adversely affected. There are limits on the ownership and transferability of our shares.

If we fail to qualify as a REIT and no relief provisions apply, our NAV and cash available for distribution to our stockholders could materially decrease and we could face a substantial tax liability.

Our investments in International Affiliated Funds may be subject to currency, inflation or other governmental and regulatory risks specific to the countries in which the Funds operate and own assets.