

Santiago, 17 de Enero del 2019

Señores  
PRINCIPAL REAL ESTATE USA FONDO DE INVERSIÓN  
Presente

De mi consideración:

En relación con la valoración económica o de mercado de las inversiones que posee **PRINCIPAL REAL ESTATE USA FONDO DE INVERSIÓN** (en adelante el "Fondo") al 31 de Diciembre de 2018, Rafael Cabello Sir, Ingeniero Civil Industrial de la Universidad de Chile, en representación de Asesorías M31 SpA, (en adelante denominado como la "Consultora"), a través de la presente carta confirmamos a Uds. que:

**Responsabilidad.** La Consultora se hace responsable de la valoración emitida en relación a la estimación del valor razonable del Fondo al 31 de Diciembre del 2018. Esta se realiza en conformidad con las instrucciones contenidas en la Circular N° 657, de fecha 31 de Enero de 2011, emitida por la Superintendencia de Valores y Seguros, actualmente denominada Comisión para el Mercado Financiero. Se deja constancia que la valoración se efectuó sobre la base de la información proporcionada en su totalidad por PRINCIPAL Administradora General de Fondos S.A., esta no fue sometida a ningún análisis de auditoría ni confirmación contable, por lo que su veracidad, exactitud, idoneidad y autenticidad son de exclusiva responsabilidad de PRINCIPAL Administradora General de Fondos S.A.. Las metodologías utilizadas para estimar el valor razonable de las inversiones del Fondo corresponden a metodologías generalmente aceptadas, de acuerdo a las Normas Internacionales de Información Financiera.

**Independencia.** Entendemos los requisitos de independencia en relación con la valoración del Fondo y confirmamos que la Consultora no tiene inversión directa o indirecta en el Fondo ni tiene relación de parentesco con personal clave del Fondo o de PRINCIPAL Administradora General de Fondos S.A. por lo que existe total independencia al no existir relación alguna.

**Confidencialidad.** La Consultora ha tenido acceso a información (en adelante la "Información Confidencial") de las sociedades no registradas en las que invierte el Fondo. Por ello, la Consultora se obliga a proteger y a mantener en estricta confidencialidad dicha Información Confidencial y a no divulgarla o darla a conocer a persona alguna, en cualquier forma o por cualquier medio, por un plazo de 2 años, sin el consentimiento previo y por escrito de PRINCIPAL Administradora General de Fondos S.A.. Estas obligaciones no serán aplicables a cualquier información que sea de público conocimiento al momento de ser entregada por PRINCIPAL Administradora General de Fondos S.A., o bien, que posteriormente se haga pública por un motivo diverso del incumplimiento por parte de la Consultora de las obligaciones emanadas del presente instrumento, o cuya publicación o divulgación sea requerida a la Consultora por una autoridad judicial, administrativa o fiscalizadora competente, en relación con cualquier acción, juicio, procedimiento o demanda o en virtud de una obligación legal o reglamentaria.

Les saluda muy atentamente a Uds.,



Rafael Cabello Sir  
p.p. Asesorías M31 SpA  
Rut 76.016.242-6



AUTORIZACION NOTARIAL AL DORSO





www.M31.cl

Valorización independiente de:  
PRINCIPAL REAL ESTATE USA  
FONDO DE INVERSIÓN

al 31 de Diciembre del 2018

Informe emitido con fecha

31 de Enero de 2019

Solicitado por



Preparado por:

Rafael Cabello Sir  
Ingeniero Civil Industrial  
Universidad de Chile

## Aviso Legal

El presente informe de valoración (el "Informe") ha sido preparado por Asesorías M31 ("M31") y está dirigido a la administración de PRINCIPAL Administradora General de Fondos S.A. ("PRINCIPAL AGF") y al Comité de Vigilancia de PRINCIPAL REAL ESTATE USA Fondo de Inversión (en adelante, "PRINCIPAL REAL ESTATE USA"), por lo tanto, no debe ser considerado para ningún otro propósito. Consecuentemente éste documento no debe ser copiado, reproducido, distribuido o entregado a terceros en ningún momento sin el previo consentimiento por escrito de M31. Tanto la existencia como el contenido del presente documento tienen carácter confidencial y no podrá ser entregado a terceros sin el consentimiento expreso del emisor.

Este Informe incluye resultados de análisis cuantitativos y cualitativos desarrollados para la valoración que representan potenciales acontecimientos futuros que pueden o no suceder. Por esto, M31 expresamente renuncia a cualquier responsabilidad relacionada a diferencias que a futuro presenten las variables que inciden en el ejercicio de valoración financiera.

En la preparación de este informe, M31 ha utilizado información pública disponible y principalmente aquella que le ha sido entregada directamente por PRINCIPAL AGF. Esta última ha sido proporcionada a M31 directamente por PRINCIPAL AGF, es de carácter privado y confidencial, e incluye entre otros; estados financieros auditados, metodología de valoración de Principal Real Estate Investors, LLC ("Principal"), informe SOC's, informe del resultado financiero y Capital Account Statement al 3er. trimestre del 2018, llamados y distribuciones de capital. Toda la información anterior, crítica para efectuar la valoración, fue proporcionada a M31 directamente por PRINCIPAL AGF, no fue sometida a ningún análisis de auditoría ni confirmación contable, por lo que su veracidad, exactitud, idoneidad y autenticidad son de exclusiva responsabilidad de PRINCIPAL AGF. La información utilizada considera como fecha de cierre el día 31 de Diciembre de 2018.

Este documento contiene supuestos de carácter futuro, que están naturalmente sujetos a riesgos e incertidumbre, por lo que existen diversos factores que podrían incidir en el resultado final de éstas estimaciones, tales como cambios en el marco regulatorio aplicable, la naturaleza y extensión de la competencia en el mercado relevante y otras circunstancias políticas, económicas y demográficas significativas. Los supuestos se circunscriben a la fecha en que ha sido emitido en base a los informes utilizados para preparar la presente valoración.

## VALORIZACIÓN PRINCIPAL REAL ESTATE USA FONDO DE INVERSIÓN

### Resumen Ejecutivo

El objetivo del presente informe es estimar, al 31 de Diciembre del 2018, el valor razonable del patrimonio de **PRINCIPAL REAL ESTATE USA Fondo de Inversión**. Esta valorización se realiza conforme a lo dispuesto en el Oficio Circular Nº 657 de la Comisión para el Mercado Financiero (“CMF”), ex Superintendencia de Valores y Seguros, valorizándose las inversiones no inscritas<sup>1</sup> del Fondo a su valor razonable, con el objeto de emitir un informe de valorización independiente.

Al 31 de Diciembre del 2018, PRINCIPAL REAL ESTATE USA Fondo de Inversión (“PRINCIPAL REAL ESTATE USA” o bien, el “Fondo”), administrado por PRINCIPAL Administradora General de Fondos S.A. (“PRINCIPAL AGF”), mantenía inversiones no registradas en Principal Enhanced Property Fund, L.P. (el fondo “PEPF”), constituido bajo las leyes del Estado de Delaware de los Estados Unidos de América, administrado por Principal Enhanced Property Fund GP, LLC, el gestor de inversiones es Principal Real Estate Investors, LLC (“Gestora Internacional” o “Principal”). El objeto principal de inversión del fondo PEPF es invertir en una cartera diversificada de propiedades que generan ingresos estabilizados, además de proyectos de valor agregado y desarrollo en los Estados Unidos de América.

Principal, es una gestora de inversiones especializada en el sector inmobiliario, subsidiaria de Principal Life Insurance Company. Con más de 14 años de experiencia en la industria, al 30 de Septiembre del 2018 administraba 74,5 billones de dólares. Cuenta con más de 275 profesionales del sector inmobiliario y más de 450 clientes institucionales.

Para efectuar la valorización, Asesorías M31 accedió a documentos de carácter confidencial emitidos por la gestora Principal, proporcionados por PRINCIPAL AGF. Dicha información incluye entre otros; los estados financieros auditados, el LIMITED PARTNERSHIP AGREEMENT, capital account statement, llamados y distribuciones de capital, así como también a un informe de auditoría de los controles operacionales existentes.

Para estimar el valor razonable de las inversiones no registradas de PRINCIPAL REAL ESTATE USA en el fondo PEPF, se analizaron diversos criterios y metodologías de valorización. Se consideraron las mejores prácticas para la valorización de inversiones en *Real Estate* y *Private Equity*, lineamientos emitidos por las principales asociaciones internacionales de *Private Equity* y *Venture Capital* y la información disponible a la fecha de la valorización, optando el valorizador por seleccionar como valor razonable de estas inversiones al provisto por la misma gestora internacional, Principal, como la alternativa más adecuada para efectuar la valoración de la inversión no registrada a valor justo. Posteriormente, se le agregaron los movimientos de capital que tuvieron efecto entre el 1 de Octubre y el 31 de Diciembre del 2018, tales como capital calls, netos de gastos y comisiones, y las devoluciones de capital, de esta forma se estimó el valor razonable de las inversiones no registradas de PRINCIPAL REAL ESTATE USA en PEPF.

Conforme a lo anterior, se estima que al 31 de Diciembre del 2018 el valor razonable de las inversiones de **PRINCIPAL REAL ESTATE USA** en PEPF era de **US\$ 41.002.838.-**

<sup>1</sup> Se refiere a inversiones no inscritas o no registradas en una bolsa de valores o que no se transan en un mercado activo.

## Información Utilizada

La información utilizada para efectuar la valoración fue proporcionada directamente por PRINCIPAL AGF. Esta no fue sometida a ningún análisis de auditoría ni confirmación contable, por lo que su veracidad, exactitud, idoneidad y autenticidad son de exclusiva responsabilidad de PRINCIPAL AGF.

La información disponible utilizada para esta valorización, fue la siguiente:

- FIFTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF PRINCIPAL ENHANCED PROPERTY FUND, L.P. (a Delaware limited partnership) Dated as of June 27, 2018 and effective as of September 26, 2018. (“LPA”)
- Principal Enhanced Property Fund, L.P. Valuation Policy.
- Principal Enhanced Property Fund, L.P. Consolidated Financial Statements as of and for the Years Ended December 31, 2017 and 2016, and Independent Auditors’ Report, Deloitte & Touche LLP.
- Principal Global Investors, LLC and Principal Real Estate Investors, LLC, Investment Management Processing Services, System and Organization Controls 1 Report (SOC 1), For the period from October 1, 2016 – September 30, 2017. Ernst & Young LLP.
- Llamados y distribuciones de capital para el período comprendido entre el 1 de Enero y el 31 de Diciembre del 2018.
- Principal Enhanced Property Fund, L.P. Supplement 2018-3.
- Principal Enhanced Property Fund, L.P., Quarterly Partner Statement, For the Quarter Ended September 30, 2018.
- Reglamento interno PRINCIPAL REAL ESTATE USA Fondo de Inversión.
- <https://www.principalglobal.com/documentdownload/71742>
- Balance proforma al 31 de Diciembre del 2018 de PRINCIPAL REAL ESTATE USA FONDO DE INVERSION.

## Metodología

La estimación del patrimonio económico a valor razonable de PRINCIPAL REAL ESTATE USA Fondo de Inversión se realiza considerando el valor neto de los activos del fondo a la fecha de valorización, de acuerdo el balance no auditado provisto por PRINCIPAL AGF. El tratamiento es el siguiente:

**Efectivo y efectivo equivalente:** Se valorizan a su valor libro. (Cierre contable a la fecha de valorización)

**Pasivos corrientes:** Estos activos se valorizan a su valor libro. (Cierre contable a la fecha de valorización)

**Inversiones no inscritas en un Registro de Valores:** Para determinar el criterio a aplicar en la valorización de inversiones no inscritas en registros de valores, se analizaron técnicas alternativas para la valorización de las inversiones subyacentes en *Real Estate*, así como también se consideraron los lineamientos emitidos por las principales asociaciones internacionales de *Private Equity* y *Venture Capital*, la información disponible a la fecha de la valorización y la normativa local emitida por la CMF, esto es, conforme a las disposiciones contenidas en el Oficio Circular N° 657, a su valor razonable. A continuación, se revisan algunas de las metodologías propuestas por una de las principales asociaciones internacionales de *Private Equity* y *Venture Capital*, y que se encuentran plasmadas en el documento *INTERNATIONAL PRIVATE EQUITY AND VENTURE CAPITAL VALUATION GUIDELINES, 2015*.

**Metodologías valor razonable Inversiones en Fondos de Private Equity:** Para estimar el valor razonable de estas inversiones se revisaron algunas de las metodologías más habituales utilizadas. Estas fueron:

- a) Flujos de Caja Libre
- b) Múltiplos
- c) Flujos de Caja descontados

Los métodos anteriores difícilmente se podrían aplicar en este caso al no disponerse de información financiera suficiente de las sociedades inmobiliarias destino final de las inversiones, y disponer PEPF de una política de valorización con terceros tasadores seleccionados por Principal y coordinados por un consultor interno de valorizaciones.

Consecuentemente, asumiendo que:

1. El destino de las inversiones del fondo PRINCIPAL REAL ESTATE USA es y ha sido exclusivamente en el fondo PEPF.
2. Los informes emitidos por PEPF, recibidos por el valorizador, no entregan detalles de las sociedades subyacentes para aplicar métodos tradicionales de valorización.
3. Principal, es una gestora de inversiones especializada en el sector inmobiliario, subsidiaria de Principal Life Insurance Company. Con más de 14 años de experiencia en la industria, al 30 de Septiembre del 2018 administraba 74,5 billones de dólares. Cuenta con más de 275 profesionales del sector inmobiliario y más de 450 clientes institucionales. Dado su tamaño es una de las principales gestoras mundiales del sector inmobiliario.
4. Las valorizaciones efectuadas por la gestora, Principal, se realizan bajo criterios y metodologías de valor justo las cuales están detalladas en:

- a. En el LPA, en relación a la valoración de sus inversiones se resumen los lineamientos de valorización. En el Anexo N°1 se transcriben los puntos relacionados al proceso de valorización.
- b. PEPF dispone de una política de valorización consistente con la estimación de valor justo requerida por la CMF. En el anexo N° 2 se transcribe la política de valorización.
- c. El informe financiero auditado, al 31 de Diciembre del 2017, nota 2 *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*, se indica que las inversiones son reflejadas a su valor razonable en los estados financieros. Además, en el mismo documento nota 3. *FAIR VALUE MEASUREMENTS*, indica que los estados financieros contenidos en dicho informe son preparados reflejando el valor razonable a la correspondiente fecha de presentación. En el Anexo N° 3 se transcriben ambas notas.
- d. Adicionalmente, en la valoración de las inversiones mantenidas en el fondo Principal, estos son sometidos a una auditoría por una reconocida empresa (en 2017 fue Ernst & Young LLP), en la que se verifican el cumplimiento de los controles operacionales en relación a las políticas definidas por la gestora, entre otros, la valoración de las inversiones, mediante la obtención de muestras específicas de empresas y participaciones valorizadas de acuerdo a las políticas y procedimientos definidos por Principal, sin haberse emitido comentario alguno al respecto.

Consecuentemente, a criterio del valorizador, se estima que esta metodología de valoración, de reconocer los valores razonables de las inversiones no registradas realizadas por la sociedad Gestora Internacional, es una opción válida para reflejar el valor razonable de las inversiones efectuadas por PRINCIPAL REAL ESTATE USA.

Por último, considerando que la información disponible del valor razonable es a una fecha anterior a la de valoración, esto es al 30 de Septiembre del 2018, se agregan los movimientos de capital (Llamados de capital netos de gastos y comisiones, distribuciones/dividendos, etc.) ocurridos en el período transcurrido hasta la fecha de valoración del 31 de Diciembre del 2018, no incorporados en el valor razonable. De esta forma se estima el valor razonable de las inversiones no registradas en PEPF.

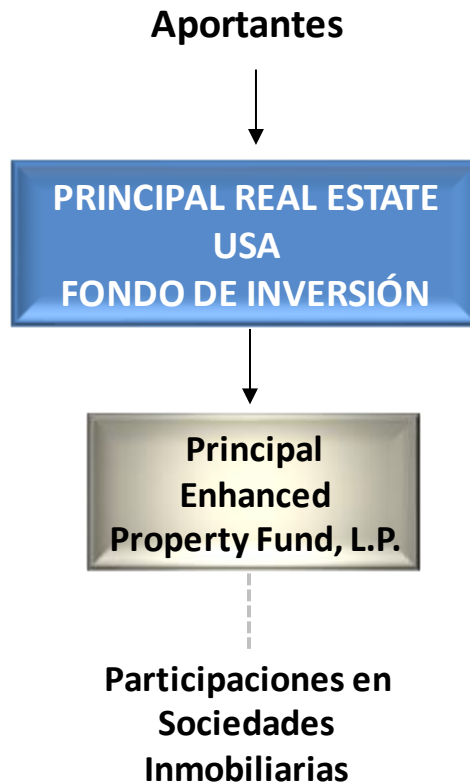


## Valorización PRINCIPAL REAL ESTATE USA Fondo de Inversión

PRINCIPAL REAL ESTATE USA Fondo de Inversión mantenía inversiones no registradas en Principal Enhanced Property Fund, L.P. (el fondo “PEPF”), constituido bajo las leyes del Estado de Delaware de los Estados Unidos de América, administrado por Principal Enhanced Property Fund GP, LLC, el gestor de inversiones es Principal Real Estate Investors, LLC (“Gestora Internacional” o “Principal”).

El objeto principal de inversión del fondo PEPF es invertir en una cartera diversificada de propiedades que generan ingresos estabilizados, además de proyectos de valor agregado y desarrollo en los Estados Unidos de América.

El esquema de inversión es el siguiente:



Al 30 de Septiembre del 2018, la cartera de este fondo gestionada por Principal estaba compuesta por las siguientes participaciones en bienes raíces:

Bien raíz	MSA	Estructura	Fecha de Adquisición	Area SF/Units	Ocupación al 30/9/2018
Quaker Tower	Chicago	Joint Venture	oct-11	418.769	100%
1290 Broadway	Denver	Wholly Owned	ago-05	251.206	91%
Gainey Center	Phoenix	Wholly Owned	nov-04	141.047	94%
Bay Center	Oakland	Joint Venture	ene-06	328.593	91%
Piedmont Office	Charlotte	Wholly Owned	oct-07	415.299	87%
200 Kimball	Northern N.J.	Wholly Owned	sept-04	175.093	91%
2401 Penn Office	Washington, D.C.	Wholly Owned	feb-12	63.786	63%
Parkridge Four	Denver	Wholly Owned	oct-15	192.359	83%
100 St. Paul	Denver	Joint Venture	jul-16	147.939	100%
Monument III	Washington, D.C.	Joint Venture	sept-08	192.325	77%
Carlyle Overlook	Washington, D.C.	Joint Venture	sept-18	126.461	95%
<b>Office Subtotal</b>				<b>2.452.877</b>	<b>90.3%</b>
Saltbox Village	Raleigh	Wholly Owned	may-04	53.416	100%
Baybrook Square	Houston	Wholly Owned	jun-05	301.336	95%
Shops at Gainey Village	Phoenix	Wholly Owned	jul-05	138.476	93%
Ballard Blocks I	Seattle	Joint Venture	feb-07	131.954	95%
Ballard Blocks II	Seattle	Joint Venture	mar-09	-	N/A
Alhadeff Coliseum	Seattle	Wholly Owned	mar-07	162	100%
Best Buy	Seattle	Wholly Owned	mar-07	45	100%
Piedmont Retail	Charlotte	Wholly Owned	oct-07	73.258	81%
Bellevue North	Seattle	Wholly Owned	ago-09	74.044	100%
Bellevue South	Seattle	Wholly Owned	ago-09	-	N/A
Coleman Village	Atlanta	Wholly Owned	ago-14	90.958	100%
2401 Penn Retail	Washington, D.C.	Wholly Owned	feb-12	1.988	79%
The Launch	Boston	Joint Venture	sept-06	232.432	96%
Hartford Corners	Philadelphia	Joint Venture	ago-11	214.841	88%
<b>Retail Subtotal</b>				<b>1.391.795</b>	<b>93.9%</b>
Mid-South Logistics Center	Nashville	Wholly Owned	oct-06	1.531.016	100%
Oakesdale	Seattle	Wholly Owned	ene-07	59.334	93%
Bay Area Business Park (Phase I)	Houston	Wholly Owned	ene-07	1.179.960	91%
Bay Area Business Park (Phase II)	Houston	Wholly Owned	ene-07	829.415	100%
Cascade Distribution Center	Portland	Wholly Owned	dic-07	303.626	100%
East Valley Commerce Center (Phase I)	Phoenix	Joint Venture	sept-07	349.049	94%
BW Gateway	Baltimore	Joint Venture	feb-16	289.678	68%
RTP Industrial	Raleigh	Wholly Owned	ago-07	448.385	100%
San Leandro Business Center	Oakland	Wholly Owned	dic-16	-	N/A
Westpark 85 (Phase I)	Charlotte	Joint Venture	ene-17	46.042	21%
Power Secure	Raleigh	Wholly Owned	ene-11	25.806	100%
Capital Distribution Center	Washington, D.C.	Joint Venture	nov-17	-	N/A
<b>Industrial Subtotal</b>				<b>6.242.949</b>	<b>90.0%</b>
Coda	Denver	Joint Venture	abr-13	182	91%
21 Rio	Austin	Joint Venture	may-11	158	97%
2401 Penn Apts	Washington, D.C.	Wholly Owned	feb-12	40	94%
The Academy at Frisco	Univ. of Arkansas	Joint Venture	ene-15	219	97%
Foundry Lake Street	Minneapolis	Joint Venture	feb-15	164	88%
Shortbread Lofts	Raleigh	Joint Venture	may-08	85	95%
M-Line Tower	Dallas	Joint Venture	oct-15	261	82%
The Courts at Spring Mill Station	Philadelphia	Wholly Owned	jul-10	385	96%
Solaris Key	Tampa	Wholly Owned	dic-05	426	94%
The Academy on Charles	Baltimore	Joint Venture	abr-11	106	97%
Sugarloaf Summit	Atlanta	Wholly Owned	oct-17	378	96%
The Marke of Elmhurst	Chicago	Joint Venture	nov-17	-	N/A
Westerly at Worldgate	Washington, D.C.	Joint Venture	sept-18	320	94%
Elan City Center	Raleigh	Wholly Owned	sept-18	213	87%
<b>Multifamily Subtotal</b>				<b>2.937 units</b>	<b>93.2%</b>
Westpark 85 (Phase II)	Charlotte	Joint Venture	ene-17	658	N/A
East Valley Commerce Center (Phase II)	Phoenix	Joint Venture	ago-18	210	N/A
<b>Land Subtotal</b>				<b>86.8 acres</b>	
<b>Total Portfolio</b>				<b>10.087.621</b>	<b>91,2%</b>
				<b>2.937 units</b>	
				<b>86.8 acres</b>	

Al 31 de Diciembre del 2018 el balance proforma no auditado de PRINCIPAL REAL ESTATE USA entregado por PRINCIPAL AGF era el siguiente:

**PRINCIPAL REAL ESTATE USA FONDO DE INVERSIÓN  
BALANCE GENERAL AL 31 DE DICIEMBRE 2018 (En USD)**

<b>ACTIVOS CIRCULANTES</b>		<b>PASIVOS CIRCULANTES</b>	
Disponible Banco	2.024.597,45	Cuentas por Pagar y otros documentos por pagar	17.583,60
Cuotas Fondos Mutuos nacionales	24.269,75	Remuneración por pagar	8.869,42
Dividendos por cobrar	348.063,40	Gastos aceptados por pagar	
Inversiones no Registradas en Principal Enhanced Property Fund, L.P	41.771.924,68		
<b>Total activos circulantes</b>	<b>44.168.855,28</b>	<b>Total pasivos circulantes</b>	<b>26.453,02</b>
<b>Total activos fijos</b>	<b>0,00</b>	<b>PASIVOS DE LARGO PLAZO</b>	
		<b>Total pasivo largo plazo</b>	<b>0,00</b>
<b>OTROS ACTIVOS</b>		<b>PATRIMONIO:</b>	
Otros		Patrimonio Neto Inicial	37.909.999,76
		Captación de Aportes	2.000.000,01
		Resultados acumulados	5.309.413,69
		Dividendos por pagar	-2.374.066,81
		Dividendos provisorios	-2.167.999,96
		Resultado del Ejercicio	3.465.055,57
<b>Total otros activos</b>	<b>0,00</b>	<b>Total patrimonio</b>	<b>44.142.402,26</b>
<b>TOTAL ACTIVOS</b>	<b>44.168.855,28</b>	<b>TOTAL PASIVOS</b>	<b>44.168.855,28</b>

A continuación se procede a la apertura de cada una de las partidas de los activos del Fondo, de acuerdo al balance de comprobación anterior, las cuales fueron valorizadas de acuerdo a la metodología detallada previamente. Las partidas disponible y pasivos circulantes, no se detallan ya que son consideradas ambas a su valor libro.

## a) Llamados y distribuciones de capital PRINCIPAL REAL ESTATE USA

Del 1 de Enero al 31 de Diciembre del 2018, no se realizaron aportes de capital, solamente las siguientes distribuciones:

Distribuciones de capital PEPF	Fecha Distribución	USD
PEPF	31-03-2018	1.335.665,0
PEPF	30-06-2018	524.067,5
PEPF	20-09-2018	529.660,2
<b>TOTAL al 30 de Septiembre del 2018</b>		<b>2.389.392,7</b>
PEPF	31-12-2018	536.239,9
<b>TOTAL del 1 de Octubre al 31 de Diciembre del 2018</b>		<b>536.239,9</b>

La distribución realizada el último trimestre, a valor razonable se considera por su valor neto de US\$ 536.239,9.- al tratarse de un movimiento de capital posterior al 30 de Septiembre del 2018.

Al 30 de Septiembre del 2018, PRINCIPAL REAL ESTATE USA mantenía la siguiente participación en PEPF:

Participación Principal RE USA en aportes comprometidos en PEPF	USD
Aportes comprometidos Principal RE USA en PEPF	3.289.815
Aportes Totales comprometidos en Fondo PEPF	136.281.334
<b>Participación Fondo Principal RE USA en PEPF al 31 Diciembre del 2018</b>	<b>2,4140%</b>

Al 30 de Septiembre del 2018, el valor razonable de las inversiones que PRINCIPAL REAL ESTATE USA mantenía en PEPF entrega el siguiente resultado:

<b>Valor Inversión Participación Principal RE USA en PEPF (1)</b>	<b>USD</b>
(+) Aportes al 31 de Diciembre del 2017	38.105.478
(-) Distribuciones al 31 de Diciembre del 2017	(4.429.301)
(+) Aportes desde el 1 de Enero al 31 de Diciembre del 2018	-
(+) Distribuciones desde el 1 de Enero al 31 de Diciembre del 2018	(2.389.393)
(-) Resultado neto de las Operaciones	10.252.294
<b>Valor Razonable al 30 de Septiembre del 2018</b>	<b>41.539.078</b>

(1)De acuerdo al quarterly partner statement, September 30, 2018

## b) Ajuste movimientos de capital y activos netos de PRINCIPAL REAL ESTATE USA

Considerando que la información disponible de valor razonable es a una fecha anterior a la de valorización, esto es al 30 de Septiembre del 2018, el valor razonable se ajusta con los movimientos de capital ocurridos en el período transcurrido hasta la fecha de valorización del 31 de Diciembre del 2018, no incorporados en el valor razonable.

<b>Valor Inversión Participación Principal RE USA en PEPF (1)</b>	<b>USD</b>
<b>Valor Razonable al 30 de Septiembre del 2018</b>	<b>41.539.078</b>
(-) Distribuciones adicionales desde el 1 de Octubre al 31 de Diciembre del 2018	(536.240)
<b>Valor Razonable inversión Principal RE USA en PEPF al 31 de Diciembre del 2018</b>	<b>41.002.838</b>

## Conclusiones

La valorización realizada permite estimar adecuadamente el valor razonable de los activos de PRINCIPAL REAL ESTATE USA Fondo de Inversión administrado por PRINCIPAL AGF.

Esta valorización independiente se realiza conforme a lo dispuesto en el Oficio Circular N° 657 de la Comisión para el Mercado Financiero, ex Superintendencia de Valores y Seguros, valorizándose las inversiones no inscritas del Fondo a su valor razonable, de acuerdo a la metodología seleccionada y más adecuada a criterio de evaluador, con el objeto de emitir uno de los informes de evaluadores independientes.

En resumen, se estima que al 31 de Diciembre del 2018 el valor razonable de las inversiones no registradas de **PRINCIPAL REAL ESTATE USA** en PEPF correspondía a **US\$ 41.002.838.-**

<b>Valor Inversión Participación Principal RE USA en PEPF (1)</b>	<b>USD</b>
<b>Valor Razonable al 30 de Septiembre del 2018</b>	<b>41.539.078</b>
(-) Distribuciones adicionales desde el 1 de Octubre al 31 de Diciembre del 2018	(536.240)
<b>Valor Razonable inversión Principal RE USA en PEPF al 31 de Diciembre del 2018</b>	<b>41.002.838</b>

## Anexo N°1: Política de Valorización

### VALUATION POLICY <sup>2</sup>

Each of the Partnership's investments will be appraised annually by a third-party appraisal firm. The appraisals will be staggered on a quarterly basis throughout the year (allowing approximately 25% of the Partnership's portfolio to be appraised each calendar quarter). Upon the Partnership acquiring a new investment, the new investment will be valued at cost plus capital expenditures less liabilities (no appraisal will be required prior to the closing of the new investment), and the new investment will join the annual valuation cycle within 12 months following the acquisition date. The value of properties under development or redevelopment will be determined by the General Partner each quarter from the time of acquisition until the earlier of (1) stabilized occupancy (80% leased or greater) and (2) expiration of the original pro-forma lease-up period, at which time the Valuation Consultant will commence the quarterly appraisal process. The appraised values will be updated quarterly (based on the discounted cash flow and/or sales comparison approach) for purposes of reporting quarter end value recommendations to the General Partner.

The Valuation Consultant will oversee and administer the Partnership's appraisal process and provide the updated quarterly valuations. The General Partner will use the appraised values and updated quarterly valuation for purposes of determining Gross Asset Value and Net Asset Value (provided that the General Partner will have the right to accept or reject any appraisal or updated quarterly valuation in connection therewith). For purposes of determining Net Asset Value (as contemplated by the definition thereof), the amount of indebtedness for borrowed money with respect to any investment will be based upon the valuation of such indebtedness pursuant to the Marked-to-Market Policy.

### Net Asset Value <sup>3</sup>

Means the Partnership's net asset value, as determined by the General Partner as of the last day of each calendar quarter and at such other times as required herein or otherwise appropriate based on (i) appraisals of each Partnership Asset which is a Real Estate Asset in accordance with the Valuation Policy, (ii) additions to the appraised values (or updates thereof or cost) described in clause (i) to reflect capital expenditures made subsequent to the date of the applicable appraisal or update, (iii) the carrying value under U.S. GAAP of all other assets directly or indirectly owned by the Partnership and (iv) the amount of the consolidated liabilities of the Partnership (including any accrued but unpaid Incentive Fees and Reserved Incentive Fees, to the extent the subsequent Hurdle Return has been achieved at the time of calculation) and its direct and indirect subsidiaries (provided that the amount of indebtedness for borrowed money will be based upon the valuation of such indebtedness pursuant to the Marked-to-Market Policy). If a material event occurs which could affect the Net Asset Value, the General Partner may, but shall not be required to, obtain an updated valuation of any such Real Estate Asset by the applicable appraisers as of any date. Any Real Estate Asset in which the Partnership owns less than a 100% direct or indirect interest shall be valued by beginning with the value of the entire underlying Real Estate Asset (determined as described above) and reducing that value to equal what the Partnership would receive in the event the entire underlying Real Estate Asset were sold for that value.

---

<sup>2</sup> **Fuente:** Transcripción de "FIFTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF PRINCIPAL ENHANCED PROPERTY FUND, L.P. (a Delaware limited partnership) Dated as of June 27, 2018 and effective as of September 26, 2018." EXHIBIT C Página C-1.

<sup>3</sup> **Fuente:** Similar al anterior, ARTICLE 1, Deefinitions, Págs. 8 -9.

## Anexo N°2: Política de Valorización de Inversiones <sup>4</sup>

August 26, 2003  
Revised September 10, 2004  
Revised January 4, 2005  
Revised November 28, 2005

Note: The PEPF Valuation Policy was amended on November 15, 2005 to reflect changes in the valuation of properties under development and other miscellaneous items as approved by the PEPF Management Committee on August 11, 2005 and by the PEPF Advisory Committee on September 28, 2005.

### **Principal Enhanced Property Fund, L.P.**

#### **Valuation Policy**

##### **Overview**

Principal Enhanced Property Fund, L.P. (“PEPF”, or the “Fund”) is an open-end fund sponsored by Principal Real Estate Investors. LLC (“Principal”), who serves as the general partner and investment manager of the Fund. The Fund will seek to make investments in stabilized, income producing assets, plus value-added and development projects in accordance with the Investment Guidelines as defined in the PEPF Private Placement Memorandum. The initial closing of PEPF occurred on May 18, 2004 with an initial portfolio of eight stabilized properties (the “Specified Assets”) that were contributed by Principal Life Insurance Company.

The Valuation Policy for PEPF is generally described in the governing documents of the Fund as follows:

An independent valuation consultant (“Valuation Consultant”) selected by Principal will oversee and administer the appraisal process for the Fund in accordance with the valuation policies set forth in the Fund’s governing documents (“Valuation Policy”). Each investment will be appraised annually by a third-party appraisal firm, with approximately 25% of the portfolio appraised each quarter. All appraisals will be performed in accordance with the Uniform Standard of Professional Appraisal Practice. The appraised values will be updated quarterly by the Valuation Consultant based upon financial and leasing updates provided by Principal. Any debt on Fund investments will be “marked-to-market” each quarter. No appraisal will be required prior to the closing of new investments (other than the Specified Assets). New acquisitions will be valued at the purchase price, plus closing costs. During the first year of ownership, the Valuation Consultant will provide quarterly value updates in accordance with USPA and PEPF guidelines. Within twelve (12) months following the close of acquisition, the property will join the annual valuation cycle described above. The value of properties under development or re-development will be determined by the General partner each quarter from the time of acquisition until the earlier of 1) stabilized occupancy (80% leased or greater), or 2) expiration of the original pro-forma lease-up period, at which time the Valuation Consultant will commence the quarterly appraisal process.

Principal will use the appraised values and updated quarterly valuations for purposes of determining the Fund’s Gross Asset Value and Net Asset Value. Principal will have the right to accept or reject any appraisal or updated quarterly valuation.

#### **Valuation Policies and Procedures**

The following describes in greater detail the Valuation Policy for PEPF, including specific processes to be implemented by the Valuation Consultant and the 3rd party appraisal firms (“Appraisal Firm” or “Appraiser”):

---

<sup>4</sup> **Fuente:** *Principal Enhanced Property Fund, L.P. Valuation Policy.*



The Valuation Consultant will be responsible for reporting quarterly asset values to PEPF. In addition, the Valuation Consultant will be responsible for managing the entire process of ordering and reviewing appraisal reports (“Appraisal Reports” or Appraisals”) prepared by the Appraisal Firms.

#### I. Appraisal Report Requirements and Procedures

Each PEPF property will be appraised by an Appraisal Firm based on the following policies and procedures:

##### A. Timing

1. Prior to the initial closing of PEPF, self-contained Appraisal Reports for each of the Specified Assets were completed with a valuation date effective December 31, 2003. The values were updated by the Valuation Consultant as of March 31, 2004 to reflect material changes in the properties and real estate capital markets.
2. The Valuation Consultant may be requested to update the property value if material events occur between March 31, 2004 and the initial closing of PEPF.
3. After the initial closing of the Fund, a complete, self-contained USPAP Appraisal Report completed by an Appraisal Firm will be required once every 12 months. The Appraisals will be staggered on a quarterly basis throughout the year, allowing approximately 25% of the PEPF portfolio to be appraised every quarter.
4. Every three years, the Appraisal Firms will be rotated. The initial Appraisal Report will be a Complete, Self-contained USPAP report, with subsequent Limited Scope USPAP updated annual Appraisals considered acceptable.
5. New acquisitions will be valued initially at their purchase price. During the first year of ownership, the Valuation Consultant will provide quarterly value updates in accordance with USPAP guidelines. Within twelve (12) months following the close of acquisition, the property will join the annual valuation cycle described above.
6. The value of properties under development or re-development will be determined by the General partner each quarter from the time of acquisition until the earlier of 1) stabilized occupancy (80% leased or greater), or 2) expiration of the original pro-forma lease-up period, at which time the Valuation Consultant will commence the quarterly appraisal process. The proposed mechanics to be utilized by the General Partner for the valuation of development properties would generally include:
  - During construction, the fair market value of properties under development will generally equal cost unless pre-leasing or a material event occurs (i.e., a material change in construction costs, lease rates and terms or capital market conditions). If pre-leasing or a material event occurs, the fair market value will be estimated by discounted cash flow analysis.
  - Upon shell completion but prior to the earlier of 1) stabilized occupancy (80% leased or greater), or 2) expiration of the original pro-forma lease up period, the property would be valued by discounted cash flow analysis.
  - Land acquired without entitlements will be valued at cost until the entitlements are obtained. At that time the value will be determined by comparison to other local land sales with similar entitlements.

##### B. Selection Process

1. The Valuation Consultant will select and contract with the 3rd party appraisal firms. The Valuation Consultant will issue a standard engagement agreement detailing services required.
2. External appraisers are to be selected from nationally recognized firms. Criteria used in the selection process will include a review of the Appraiser’s credentials, experience, reputation and service fees.
3. Compensation of the Valuation Consultant and the Appraisers will not be contingent on an action or event resulting from the analysis, opinions or conclusions, or the use of the report. Value conclusions are not to be based on a requested, specific valuation.
4. The Valuation Consultant will retain documentation of the selection process, including competitive bids and contracts.

### C. Appraisal Requirements

1. All Appraisal Reports must be completed and signed by Appraisers holding a nationally recognized professional appraisal designation (MAI with the Appraisal Institute) and comply with the Uniform Standards of Professional Appraisal Practice (USPAP) as adapted by the Appraisal Standards Board of the Appraisal Foundation and the Appraisal Institute. Non-designated persons may assist in preparation of the Appraisal Report.
2. The Appraiser will receive a standard package of information compiled by the Valuation Consultant and Principal. The package will be all-inclusive and contain factual information regarding the property and/or market.
3. The Appraisal Firms are to determine market value of the leased fee interest on an “as is” basis as defined by the Appraisal Institute and USPAP. All market values are to be reported in cash or in terms equivalent to cash. When applicable, proposed construction will be valued on both an “as is” and Pro-forma basis assuming 100% completion and stabilized occupancy (80% leased or greater).
4. The Complete, Self-contained and Limited Scope annual Appraisal updates must include the cost, sales comparison, and income approaches to value. All income approach discounted cash flows must be completed using the DYNA real estate valuation software program.
5. The Appraiser will submit to the Valuation Consultant with each appraisal an Executive Summary acceptable to Principal and in accordance with NCREIF guidelines.

### D. Review and Reconciliation

1. Draft Appraisal Reports will be submitted to the Valuation Consultant who will then forward a copy to Principal. Principal and the Valuation Consultant will review the draft report and the Valuation Consultant will notify the external appraiser of any factual, technical or mathematical differences. After the Valuation Consultant has reconciled any differences with the Appraiser, the final Appraisal Report will be issued.

## II. Valuation Consultant Scope of Services

The primary role of the Valuation Consultant will be to administer the entire PEPF valuation process. It is anticipated that Principal will transfer to the Valuation Consultant all of the existing, new or updated DYNA cash flow files for the PEPF assets. It is imperative that the integrity of these files remains intact, as information from the DYNA files will be used to populate MRI and other data tools required by Principal and the Fund. Following are the services to be provided by the Valuation Consultant.

### A. Set Up and Coordination

1. Meet with Principal to discuss finalizing policies and procedures of data exchange for valuation management purposes.
2. Configure appraisal management software to facilitate exchange of Dyna files, MRI, ReQuest (if applicable), budgets utilizing Principal’s Charts of Accounts, and any other property management programs.
3. Set up a PEPF directory of all properties, Principal’s asset managers, 3rd party property managers and the Appraisal Firms.
4. Conduct training and quarterly review sessions with Principal personal, as directed.
5. Coordinate exchange of current and historical data from Principal to the Valuation Consultant.

### B. External Appraisal Management

1. Evaluate and distribute appraisal contracts to the Appraisers for the initial three (3) year engagement cycle.
2. Distribute information request lists to the Principal asset managers and property managers, and coordinate/monitor information distribution to the Appraisers.
3. Coordinate the Appraisal process, answering questions from Appraisers, and monitor the timeline with respect to appraisal due dates.
4. Collect draft Appraisal Reports, Executive Summaries, and cash flows from the Appraisers in electronic format and distribute to Principal for review.
5. The Valuation Consultant will complete an Appraisal Review of each draft Appraisal in conformance with Standard 3 of USPAP.

6. Coordinate Appraisal Reviews with Principal and communicate any comments to the Appraiser.
7. During each valuation cycle, once all draft Appraisals are completed, the Valuation Consultant will issue to PEPF a letter summarizing the results of the process. In cases where Principal disagrees with the Appraisal, the Valuation Consultant will undertake appropriate discussions with the Appraiser and, if necessary, provide additional market information to support valuation related questions. If additional discussions with the Appraiser do not result in an agreement on value, the Valuation Consultant will issue a letter stating the basis for disagreement and recommend a final value conclusion to Principal. Principal reserves the right to accept or reject the Valuation Consultant's value conclusions.
8. The Valuation Consultant will maintain a database of key appraisal assumptions from the Appraisal Reports. An Executive Summary acceptable to Principal and in accordance with NCREIF guidelines will be utilized to automate the report process, providing a database that can be utilized to produce reports required by Principal for the Fund.

#### C. Quarterly Valuation Management

1. Each quarter, for properties with value changes greater than 3%, the Valuation Consultant will provide a Limited Scope, Restricted Appraisal in accordance with USPAP standards that is based on the discounted cash flow and/or sales comparison approach, reporting quarter end value recommendations to Principal.
2. The quarterly Restricted Appraisal will reflect material changes at the properties (e.g. leasing, operating expenses, capital expenditures, etc) or significant changes in the real estate or capital markets.
3. Principal will alert the Valuation Consultant of any "material events" that might impact value. The Valuation Consultant will subsequently determine the impact on value of the event.
4. Principal and the Valuation Consultant will establish a system whereby factual property data can be transferred on a timely basis. The Valuation Consultant will utilize this data to update the quarterly values. MRI and DYNA will be primarily utilized as the information exchange vehicle.

#### D. Additional Services to be provided:

1. Access to a Comparable Sale Database, which can be proprietary or public.
2. The Valuation Consultant will provide a single point of contact for PEPF.

## Anexo N°3: Notas Estados Financieros al 31 Diciembre del 2017 <sup>5</sup>

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Real Estate—Real estate investments are carried at fair value. Properties owned are initially recorded at the purchase price plus closing costs. Development costs and major renovations are capitalized as a component of cost, and routine maintenance and repairs are charged to expense as incurred. Real estate costs include the cost of acquired property, including all tangible and intangible assets. Tangible assets include the value of all land, building, and tenant improvements at the time of acquisition. Intangible assets include the value of any above and below market leases, in-place leases, and tenant relationships at the time of acquisition. Real estate costs also include leasing or similar costs paid to third parties to obtain tenants. PEPF does not record depreciation or amortization on real estate as fair value estimates take into consideration the effect of physical depreciation.

### 3. FAIR VALUE MEASUREMENTS

In determining fair value, PEPF uses various valuation approaches. ASC 820, Fair Value Measurement, establishes a fair value measurement framework and emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability.

The standard establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are inputs that the market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of PEPF. Unobservable inputs are inputs that reflect PEPF's judgments about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is measured in three levels based on the reliability of inputs: Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities that PEPF has the ability to access.

Level 2—Valuations based on quoted prices in less active dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets or liabilities.

Level 3—Valuations derived from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques, and not based on market, exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and significant professional judgment in determining the fair value assigned to such assets or liabilities.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is a description of the valuation techniques used for assets and liabilities measured at fair value:

Real Estate—Real estate values are based upon independent appraisals or internally prepared valuations. An independent consultant (the "Valuation Consultant") selected by PrinREI oversees and administers the appraisal process for PEPF. Real estate investments are stated at fair value as determined by the Valuation Consultant and approved by PEPF management. Appraisals are performed for each investment annually by independent external appraisers with all appraisals being performed in accordance with the Uniform Standard of Professional Appraisal Practice. Thereafter, and with the approval of PEPF management, values are updated on at least a quarterly basis by the Valuation Consultant based on changes in factors such as occupancy levels, lease rates, overall market conditions, and capital improvements. Determination of fair value involves subjective judgment because the actual fair value of

<sup>5</sup> **Fuente:** *Principal Enhanced Property Fund, L.P. Consolidated Financial Statements as of and for the Years Ended December 31, 2017 and 2016, and Independent Auditors' Report, Deloitte & Touche LLP. Págs . 10-13-14*

real estate can be determined only by negotiation between the parties in a sales transaction.

The values of real estate investments have been estimated giving consideration to one or more of the following valuation approaches: (i) income, (ii) cost, and (iii) sales comparison. The income approach estimates an income stream for a property (typically 10 years) and discounts this income plus a reversion (presumed sale) into a present value at a risk adjusted rate. For certain properties in which an income stream beyond one year is not subject to reasonable estimation, a direct capitalization method is utilized on one year of income. Significant inputs to the income approach include discount rates, terminal capitalization rates, overall capitalization rate, and market rental growth rates, all of which are derived from market transactions, where available, as well as other industry and market data. The cost approach estimates the replacement cost of the building less physical depreciation plus the land value. Generally, this approach provides a check on the value derived using the income approach. The sales comparison approach compares recent transactions to the appraised property. Adjustments are made for dissimilarities which typically provide a range of value. Generally, the income approach carries the most weight in the value reconciliation.

The values of real estate investments undergoing development have been prepared giving consideration to costs incurred to date and key development risk factors, including entitlement risk, construction risk, leasing/sales risk, operation expense risk, credit risk, capital market risk, pricing risk, event risk, and valuation risk. The fair value of investments undergoing development includes the timely recognition of estimated entrepreneurial profit after consideration of the items identified above.

PEPF's real estate investments are classified within Level 3 of the valuation hierarchy.

Unconsolidated Real Estate Joint Ventures—Unconsolidated real estate joint ventures are stated at the fair value of PEPF's ownership interest of the underlying entities. PEPF's ownership interest is valued based on the fair value of the underlying assets and liabilities including the underlying real estate and any related debt, which are both valued consistently with PEPF's wholly owned and consolidated real estate investments and debt, and other factors, such as ownership percentage, ownership rights, and distribution provisions. Upon the disposition of all real estate investments by an investee entity, PEPF will continue to state its equity in the remaining net assets of the investee entity during the wind down period, if any, that occurs prior to the dissolution of the investee entity. PEPF's unconsolidated real estate joint ventures are classified within Level 3 of the valuation hierarchy.