Real Estate

Principal Asset Management℠

Principal Enhanced Property Fund, L.P.

Supplement 2023-3

Supplement to the Confidential Private Placement Memorandum: November 16, 2023

This document supplements the Amended and Restated Confidential Private Placement Memorandum dated January 2020 (the "Memorandum"), of Principal Enhanced Property Fund, L.P. (the "Fund") with the information in the quarterly performance report of the Fund attached hereto. Such report, which is made a part of the Memorandum by this supplement, updates certain information in the Memorandum with respect to the performance, operation and activities of the Fund for the third calendar quarter of 2023. To the extent there is any inconsistency between the information in such report and the information in the Memorandum, the information in such report shall control. Capitalized words and phrases used but not defined in this supplement shall have the meanings set forth in the Memorandum.

Offers and sales of limited partnership interests in the Fund will not be registered under the laws of any jurisdiction (including the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), the laws of any state of the United States of America or the laws of any non-U.S. jurisdiction) and may not be sold or transferred without compliance with applicable securities laws. Neither the U.S. Securities and Exchange Commission ("SEC") nor any other agency of any other jurisdiction has reviewed or passed upon the merits of this offering. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this supplement or the report attached hereto. Any representation to the contrary is a criminal offense. Persons interested in investing in the Fund are required to complete and return to the General Partner the subscription documents for the Fund, a copy of which will be made available to each prospective investor. Subscriptions may be rejected in whole or in part in the General Partner's sole discretion. All persons interested in investing in the Fund must attest that they are "qualified purchasers" under the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, to the extent the Fund is relying, or intends to rely, on Section 3(c)(7) thereof, "accredited investors" or "non-U.S. persons" under the Securities Act and "qualified clients" under the U.S. Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder. The Fund will not be registered as an investment company under the Investment Company Act. Consequently, investors will not be afforded the protections of the Investment Company Act.

The information set forth in this supplement is qualified in its entirety by reference to the limited partnership agreement of the Fund and 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 the "Certain Investment Considerations and Risk Factors" and "Certain Conflicts of Interest" sections of the Memorandum. Certain of the information contained in this supplement represents or is based upon forward-looking statements or information, including descriptions of anticipated market changes, net asset values, projected returns from unrealized investments and expectations of future Fund activity. The Fund and its affiliates believe that such statements and information are based upon reasonable estimates and assumptions. However, forward-looking statements and information are inherently uncertain and actual events or results may differ materially from those projected. Therefore, undue reliance should not be placed on such forward-looking statements and information. Forward-looking statements, discussions of the business environment, investment strategy and investment performance of the Fund included herein (e.g., with respect to financial markets, business opportunities, demand, investment pipeline and other conditions) are subject to the ongoing novel coronavirus outbreak ("COVID-19"). The ultimate and lasting impact of COVID-19 is particularly uncertain and difficult to predict; therefore, such forward-looking statements do not reflect its ultimate potential effects, which may substantially and adversely impact the Fund's execution of its investment strategy. See "Section VII - Certain Investment Considerations and Risk Factors - Public Health Emergencies; COVID-19."

Recipients of this supplement are invited to ask questions of, and receive answers from, the General Partner concerning the terms and conditions of the offering and to obtain any additional information, to the extent that it possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information furnished herein.

The information included herein identifies a number of benefits inherent in Principal Real Estate Investors, LLC's ("Principal," or "Principal Real Estate") services and operations on behalf of the Fund, although the Fund is also subject to a number of material risks associated with these benefits, as further identified in the Fund's definitive documents. Although Principal believes that Principal and its personnel will have competitive advantages in identifying, diligencing, monitoring, consulting, improving and ultimately selling investments on behalf of the Fund, there can be no guarantee that Principal will be able to maintain such advantages over time, outperform third parties or the financial markets generally, implement its investment strategy or achieve its investment objectives for the Fund or any investment, or avoid losses. For additional information regarding risks and potential conflicts of interest regarding an investment in the Fund, please see the risk factors and conflicts of interest disclosures in the Memorandum.

The Fund is an open-end limited partnership sponsored and managed by Principal Real Estate Investors. The general partner of the Fund is Principal Enhanced Property Fund GP, LLC (the "General Partner"). Principal Real Estate Investors is a dedicated real estate investment group of Principal Global Investors. Interests in the Fund are offered to U.S. investors through Principal Funds Distributor, Inc. ("PFD"). PFD, Principal Real Estate Investors, and Principal Global Investors are members of the Principal Financial Group®. As with all investments, past performance is not necessarily indicative, or a guarantee, of future returns of the Fund. The ultimate returns realized by the Fund will depend on numerous factors, including factors beyond the control of the General Partner, which are subject to uncertainty. Accordingly, there can be no assurance that any return objectives will be realized. Investors may lose invested capital.

Unless otherwise specified, performance figures reported herein are as of September 30, 2023. There has been an outbreak of the novel and highly contagious COVID-19, which the World Health Organization formally declared in March 2020 to constitute a global "pandemic." This outbreak has caused a world-wide public health emergency, significantly constrained global economic production and activity of all kinds, and contributed to both volatility and a severe decline in all financial markets. As a result, economic and market conditions have significantly deteriorated and are expected to continue to do so. The investment performance presented herein takes into account these events up to and including September 30, 2023; however the General Partner expects subsequent events will continue to be adverse to the aggregate investment performance of the Fund and to certain or all of the individual investments described herein.

The valuations presented herein were performed based upon various inputs, many of which have declined in recent periods. In addition, due to the substantial volatility experienced with respect to many of such inputs in recent periods, the subjective decisions of the General Partner regarding which inputs to select, the measurement dates and the relative weights to assign to such inputs all have a disproportionate impact on the valuations presented herein. The General Partner's determination of any investment's fair value in the future (or the value that would have been determined had such facts been known as of September 30, 2023) is likely to differ as a result.

All information with respect to real estate investments and industry data has been obtained from sources believed to be reliable and current, but has not been independently verified and accuracy cannot be guaranteed. Certain economic and market information contained herein has been obtained from published sources and/or prepared by other parties and in certain cases has not been updated through the date hereof. None of the Fund, the General Partner or their respective affiliates or any of their respective directors, officers, managers, employees, partners, members, shareholders advisers or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein. Any references to indices are made for comparison purposes only and an investment in an open-end real estate private equity fund (e.g., the Fund) is unlike an investment in the indices shown herein. Such indices are shown for informational purposes only.

The Fund has in the past and may in the future trade in instruments regulated by the U.S. Commodity Futures Trading Commission (the "CFTC"), and the General Partner and/or its affiliates intend to qualify, as necessary, for an applicable exemption from registration with the CFTC as a commodity pool operator ("CPO") with respect to the Fund pursuant to CFTC Regulation 4.13(a)(3), which requires filing a notice with National Futures Association. This "Regulation" also generally requires that (i) the limited partner interests are exempt from registration under the Securities Act and are not publicly marketed in the United States and (ii) at the time of the relevant investment, with respect to the Fund's positions in CFTC-regulated instruments: (A) aggregate initial margin and related amounts required to establish such positions, determined at the time the most recent position was established, will not exceed five percent of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and unrealized losses on any such positions; or (B) the aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed 100% of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and unrealized losses on any such positions. Therefore, unlike a registered CPO, the General Partner and/or such affiliates are not required to deliver a CFTC-compliant disclosure document and a certified annual report to investors. Nonetheless, the General Partner does intend to provide investors with annual audited financial statements and the reports described in the Fund's limited partnership agreement. The General Partner and/or its affiliates may pursue an alternative exemption from CPO registration or else register with the CFTC.

In considering the target performance information contained herein, prospective investors should bear in mind that past or targeted performance is not a guarantee, projection or prediction and is not necessarily indicative of future results. There can be no assurance that the Fund will achieve comparable results, that targeted returns will be met or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objectives.

Actual gross and net returns for the Fund may vary significantly from the targeted returns set forth herein. The Fund's target returns are expected to be realized from the disposition of investments, operating cash flows, distributions and proceeds from borrowing, using leverage where the General Partner believes it appropriate. The target returns stated herein are based on the General Partner's belief about what returns may be achievable on the types of investments that the General Partner intends to pursue in light of the General Partner's experience with similar transactions. Further, the target returns stated herein are based on an assumption that economic, market and other conditions will not deteriorate and, in some cases, will improve. The target returns are believed to be reasonable under the circumstances, but actual realized returns on the Fund's investments will depend on, among other factors, the ability to consummate attractive investments, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the targeted returns are based.

PFD, a registered broker-dealer with the SEC and a member of FINRA, is acting as placement agent for the Fund. PFD is not a current advisory client of Principal Real Estate Investors or an investor in any fund sponsored by Principal Real Estate Investors; however, certain personnel of PFD have invested in prior investment funds sponsored by Principal Real Estate Investors, some of which have beneficial economic terms in connection therewith (e.g., reduced compensation percentages). For providing solicitation and other services with respect to certain investors who invest in the Fund, certain personnel affiliated with PFD will/may receive compensation or compensation credits under their employment contracts that will ultimately be borne directly or indirectly by Principal Real Estate Investors rather than the Fund. As a result, certain personnel affiliated with PFD have an incentive and potential conflict of interest to recommend an investment in the Fund. Certain personnel affiliated with PFD also expect, from time to time, to do business with and earn compensation or compensation credits under their employment contracts from affiliates of Principal Real Estate Investors that may have similar or different investment objectives from the Fund, including the provision of advisory and placement services. Accordingly, potential investors should recognize that certain personnel affiliated with PFD will potentially be influenced by its interest in such compensation, including differentials in compensation are offered by Principal Real Estate Investors or other sponsors for which PFD acts as placement agent.

Principal Real Estate is committed to operating practices that are environmentally responsible.

For a listing of our office locations, please visit www.principalam.com

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Real Estate

Principal Asset Management[SM]

Principal Enhanced Property Fund, L.P.

2023 THIRD QUARTER PERFORMANCE REPORT

Fund Overview

Fund Objectives*

Principal Enhanced Property Fund, L.P. (the "Fund") is an open-end real estate investment vehicle for U.S. and non-U.S. investors sponsored and managed by Principal Real Estate Investors, LLC.

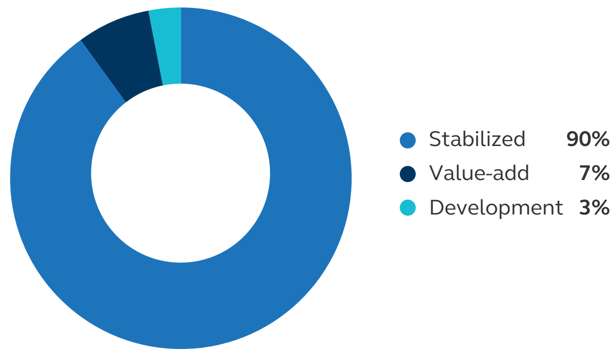
The Fund is pursuing an "enhanced" strategy that seeks to invest in a nationally diversified portfolio of stabilized, income-producing assets, plus value-added and development projects that the General Partner believes are capable of generating higher, risk-adjusted returns.

The Fund currently seeks to provide investors with a 4% to 6% annual dividend yield and an 11% to 13% total net return (IRR)[1] over a long-term investment period.

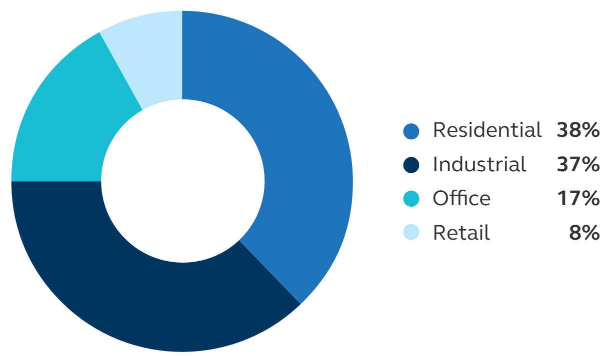
Fund Profile as of September 30, 2023

Inception Date	May 18, 2004
Gross Asset Value[1]	$4,992.7 million
Net Asset Value[1]	$2,940.6 million
Shares Outstanding	214,180,870
Share Price	$13.73
Investors	143
Fund Investments	60
MSA Markets	26
Portfolio Occupancy	93.6%
Stabilized Portfolio Leased % (≥ 80% leased)	97.5%
Cash to Gross Assets	2.5%
Leverage Ratio	36.5%

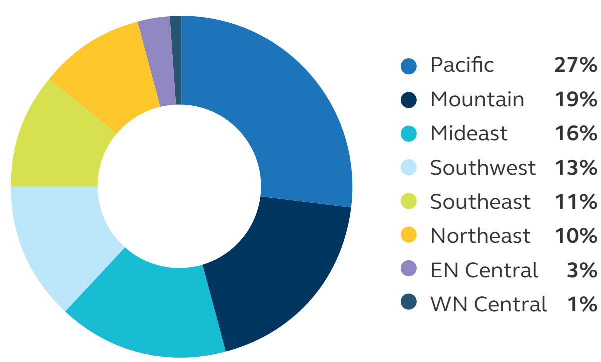
Portfolio Diversification* as of September 30, 2023



PROPERTY TYPE



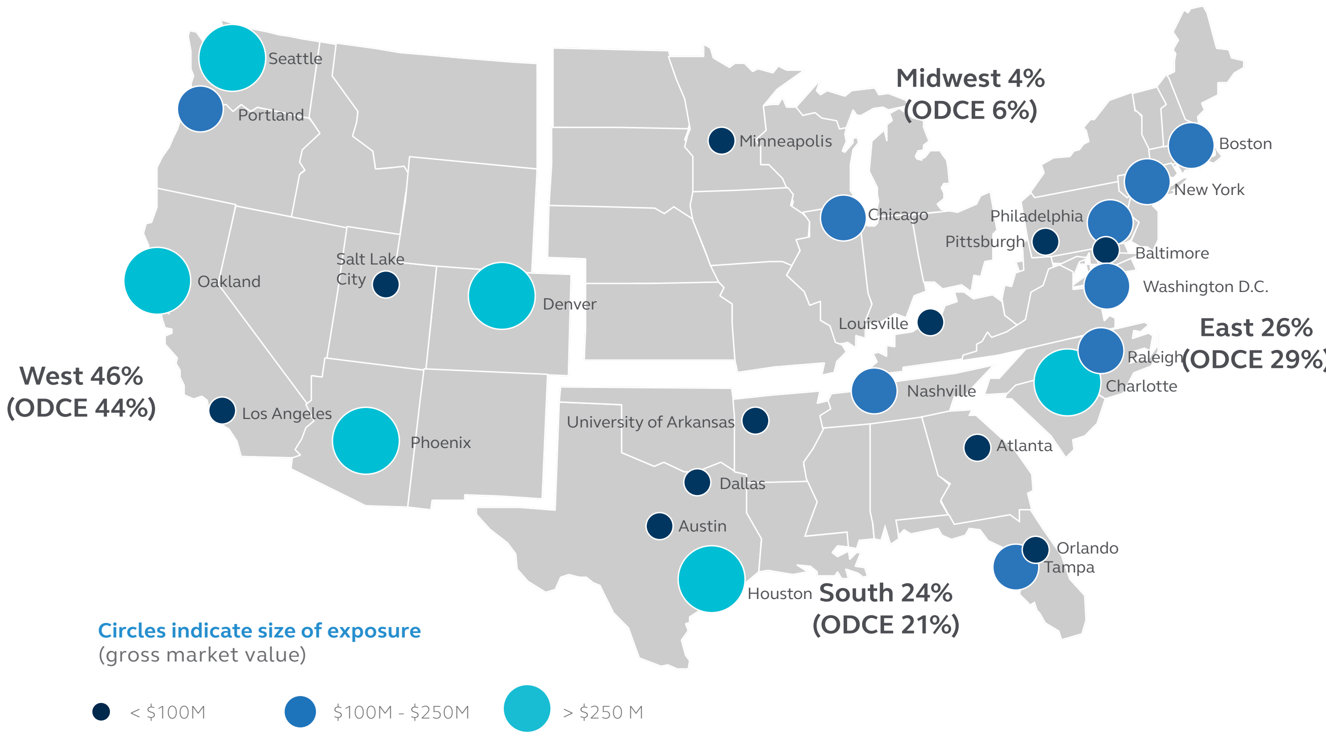
NCREIF DIVISION



*Refer to End Notes on pages 22-23. Cover Photograph: Whisper Hills West, Austin, TX

[1]As with all investments, past performance is not necessarily indicative, or a guarantee, of future results of the Fund. The ultimate returns realized by the Fund will depend on numerous factors, which are subject to uncertainty. Opinions and predictions are the views of the General Partner, are subject to change and are not intended as a forecast or guarantee of future events or a prediction of future performance. The return target of the Fund is not intended to predict the Fund's performance; instead, it is shown to help explain how the Fund seeks to construct its portfolio. Valuations of the Fund's current portfolio, which are conducted monthly, may also provide a basis of support for the Fund's objectives. There is no assurance that these targets will be achieved. Investors may lose investment capital. See "Certain Investment Considerations and Risk Factors" in the Memorandum.

Performance figures presented as of September 30, 2023, and do not reflect any subsequent events, including the continued impact of the ongoing novel coronavirus outbreak ("COVID-19") and further deterioration of economic conditions. The ultimate and lasting impact of COVID-19 is particularly uncertain and difficult to predict, but is likely to have a significant adverse effect on future performance. The target returns included herein are aspirational in nature and were not based upon any criteria or assumptions.



Market Diversification

Top Markets

1	Oakland	11.4%
2	Phoenix	11.4%
3	Seattle	10.5%
4	Houston	10.0%
5	Charlotte	6.2%
6	Denver	5.8%
7	Raleigh	5.1%
8	Nashville	4.8%
9	Boston	4.6%
10	Portland	4.0%

Portfolio Commentary

Surprisingly strong economic data in third quarter, headlined by GDP growth of 4.9%, along with concerns over rapidly increasing U.S. debt issuance and growing acceptance that the Fed may really keep short-term rates higher for longer all contributed to much higher long-term treasury yields during the quarter and into October. The 10-year US Treasury yield increased from 3.8% to 4.6% during the quarter before briefly topping 5% in October and then returning to 4.6% in early November. This rapid increase in rates extended the slowdown in the real estate transaction markets, again stretching the bid-ask spread between buyers and sellers just after the gap appeared to be narrowing before the August rise in long-term rates. Inflation news remains somewhat mixed, well below peak but still above target and rising slightly on a year over year basis from last quarter. Consensus points to slowing growth in 2024 but economists remain split on whether this will mean a mild recession or soft landing.

Despite emerging headwinds in the space markets from a combination of slowing demand and new supply delivering, portfolio operations remain solid with NOI exceeding budget for the quarter and year-to-date. Occupancy is 93.6% and same-property NOI growth is up 13.1% compared to the first three quarters of 2022. Solid operations were not enough to offset continued pressure on capital market assumptions in valuations as long-term interest rates continued to rise. This resulted in property level appreciation of –2.48% in third quarter and marked the fifth consecutive quarter of value decline. Total property level depreciation over these five quarters has been 11.7%. For the quarter, all property types posted depreciation and negative total returns in the portfolio and the NFI-ODCE Index. Industrial and retail continue to perform slightly better than residential, while office continues to lag. The Fund's Total Fund Returns (gross) was -2.37% which trailed the Fund benchmark (NFI-ODCE Index) by 47 basis points. This underperformance was entirely due to the Fund's higher leverage as the Fund outperformed on an unlevered basis. The Fund's Total Fund Returns (net) was -2.66%. Fund performance continues to show outperformance compared to the Fund NFI-ODCE Index for the year-to-date, three-year, five-year, ten-year and since inception periods.

Three dispositions were completed in third quarter including a retail center in Philadelphia, apartments in Atlanta and a mixed-use asset in Washington DC. The mixed-use asset had significant vacancy in the office portion and was disposed of via an uncontested foreclosure with the lender resulting in a -4.91% holding period return. The other dispositions positive returns for the Fund's holding period, 2.5% and 14.4%, respectively. At quarter-end, the Fund had three additional assets totaling $244.1 million under contract for sale. The Academy on Charles in Baltimore closed in October and we currently expect Westerly at Worldgate to close in December. The closing of 1760 3rd Avenue remains on track for June 2024. No acquisitions have closed year-to-date. The Fund's patience in new capital deployment appears prudent as opportunities continue to re-price more attractively. Construction of 7190 Optima Kierland was completed in 3Q and leasing is off to a strong start at 52.3% (36.9% occupancy at quarter-end) with rents exceeding underwriting. Two additional residential development assets remain under construction (Orlando and Los Angeles MSAs) with completion expected in 2024. Two industrial development assets (Nashville and Dallas MSAs) are expected to deliver over the next three quarters. The Nashville asset is 24.1% pre-leased with activity on the remaining space but industrial leasing velocity has slowed across most markets.

The Fund's borrowing cost rose to 4.8% at quarter-end but fortunately remains below the 5.1% average cap rate on the portfolio. Remaining debt maturities for 2023 as of quarter-end totals $129 million (Fund's share) and represents four property level loans. Two of these are on assets referenced above that are slated for closing in fourth quarter. The other two are on office properties of which one is being marketed for sale and one is being extended to December 2024. 2024 maturities appear manageable at $242 million with the asset representing the largest loan ($110 million) already under contact for sale, leaving four property loans totaling just $132 million to work through. Three of the four are non-office properties with loan-to-value ratios less than 45% and an average interest rate of 6.5% so refinancing these is not expected to require a material paydown (if any) or have a material impact on overall Fund cost of debt. The office loan is on a property producing strong cashflow and where the Fund's equity has been written down to less than $1 million, limiting potential downside risk. We currently anticipate working to extend this loan if the office disposition market does not improve before maturity.

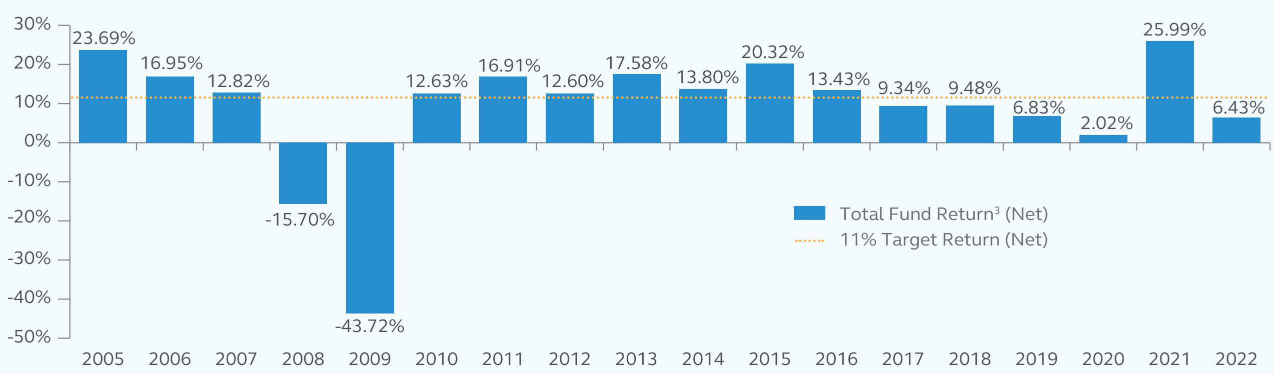
The inbound queue is $523.6 million at quarter-end and Redemption Shares totaled $288.9 million (9.8% of NAV) with an additional $16.3 million requested in third quarter that will become Redemption Shares on December 31. A $15.0 million redemption payment (equal to 5.7% of the Redemption Shares) was offered in July and another $60 million redemption payment (equal to 20.8% of the Redemption Shares) was offered subsequent to quarter-end in October. The Fund anticipates continuing to make partial redemption payments each quarter as cashflows allow.

Past performance is not necessarily indicative, or a guarantee, of future results of the Fund. Opinions and predictions are the views of the General Partner, are subject to change and are not intended as a forecast or guarantee of future events or a prediction of future performance. Investors may lose investment capital. See page 5 "Performance Summary" and related End Notes on pages 22-23 for additional information regarding the Fund's performance. There can be no assurance that any potential investments will be consummated by the Fund or, if such potential investments are consummated, that such investments will be made on the terms described herein.

Performance Summary

Fund Returns*	3Q 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception[7]
Income (Gross)	1.23%	2.97%	3.79%	4.11%	4.18%	4.92%	4.89%
Appreciation (Gross)	-3.60%	-9.85%	-16.29%	5.28%	3.35%	6.21%	3.56%
Total Fund Return (Gross)[2]	**-2.37%**	**-7.07%**	**-12.98%**	**9.55%**	**7.63%**	**11.35%**	**8.58%**
Income Return (Net)	0.94%	2.10%	2.62%	2.94%	2.97%	3.66%	3.67%
Appreciation Return (Net)	-3.60%	-9.85%	-16.29%	4.97%	3.17%	5.97%	3.12%
Total Fund Return (Net)[3]	**-2.66%**	**-7.89%**	**-14.00%**	**8.01%**	**6.20%**	**9.78%**	**6.87%**
Dividend Yield[4]	**1.00%**	**3.00%**	**4.00%**	**4.66%**	**4.40%**	**5.68%**	**5.13%**
Property Returns[1]							
Income	1.24%	3.29%	4.24%	4.14%	4.15%	4.50%	4.96%
Appreciation	-2.48%	-6.08%	-10.72%	3.55%	2.53%	4.18%	3.11%
Total Property Return	**-1.24%**	**-2.92%**	**-6.82%**	**7.80%**	**6.76%**	**8.82%**	**8.19%**
Comparative Returns							
NFI-ODCE[5]	-1.90%	-7.55%	-12.14%	7.13%	5.65%	8.16%	7.56%
NCREIF Property Index[6]	-1.37%	-5.07%	-8.39%	6.04%	5.26%	7.40%	7.95%

Annual Performance Summary*



*Refer to End Notes on pages 22-23. Returns shown over one year are annualized. Past performance is not necessarily indicative, or a guarantee, of future returns of the Fund. Investors may lose investment capital. See the Portfolio Summary on pages 16-18 for a complete list of the Fund's investments. The return target of the Fund is not intended to predict the Fund's performance; instead, it is shown to help explain how the Fund seeks to construct its portfolio. The target returns included herein are aspirational in nature and were not based upon any criteria or assumptions.

Leasing & Operating Activity

Leasing & Operating Activity

Property Type	3Q 2023 Occupancy	YTD Net Absorption	YTD Same-Property NOI Growth
Residential	89%	408,082	22%
Industrial	97%	226,158	11%
Office	86%	(12,009)	13%
Retail	91%	(12,896)	-5%
Total	**94%**	**609,335**	**13%**

Leasing Expiration Schedule (by square feet)

Property Type	2023	2024	2025	2026	2027
Office	1%	1%	13%	12%	7%
Retail	1%	13%	13%	10%	6%
Industrial	0%	2%	17%	17%	16%
Total	**0%**	**3%**	**16%**	**15%**	**14%**

Transaction Activity

Disposition activity	MSA	Type	Size	Occupancy	Sale price[1]
200 Kimball	Northern N.J.	Office	175,093 SF	0%	$14.3
2401 Penn	Washington D.C.	Mixed-Use	146,519 SF	66%	$43.0[2]
Sugarloaf Summit	Atlanta	Residential	378 Units	93%	$100.5
Hartford Corners	Philadelphia	Retail	214,901 SF	89%	$28.1
Total					**$185.9**

As of 30 September 2023.
[1]Represents the Fund's share of the purchase price/estimated development costs for acquisitions; [2]Represents the Fund's share of loan balance

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7140 OPTIMA KIERLAND Phoenix, AZ

Residential

Property Sector Statistics

GAV	$1,705,754,858
NAV	$904,722,147
Number of investments	20
Total units	4,409
Total student beds	2,464
Occupancy	89%

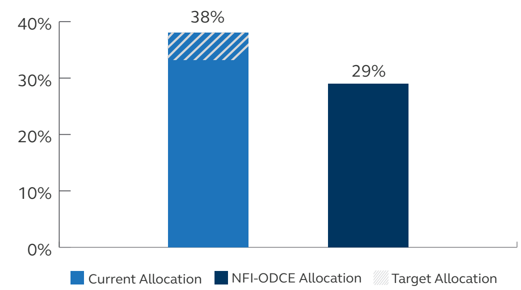
Gross Unlevered Property Returns

Period	Income	Appreciation	Total	Total Fund Return (Net)
Quarter	1.16%	-2.48%	-1.32%	-2.66%
1 Year	3.62%	-10.22%	-6.88%	-14.00%
3 Years	3.49%	5.78%	9.42%	8.01%
5 Years	3.55%	3.47%	7.11%	6.20%
10 Years	3.75%	5.99%	9.91%	9.78%

Subsector Allocation

Mid-Rise	**44%**
Garden	**21%**
Student Housing	**16%**
High-Rise	**12%**
Low-Rise	**7%**

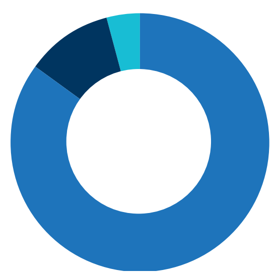
Allocation vs. Target & Benchmark



Residential Sector Highlights

- Residential occupancy finished third quarter at 89%, up from 88% last quarter, driven by aoccupancy gains at Dash at Downers Grove in Chicago and the Optima Kierland projects in Phoenix. Recent delivery, 7190 Optima Kierland, was 37% occupied as of 9/30 but had achieved 52% leased as of November and helped contribute to the residential sector totaling net absorption of 276,357 square feet in third quarter.
- 2023 year to date residential same property net operating income was up 22% over same period 2022. This includes a large increase in income at 1760 3rd Avenue due to a short-term lease being executed and taking full occupancy during the quarter. Excluding 1760 3rd Avenue, which is under contract for sale, third quarter same property net operating income was up 10.0% amongst the rest of the residential portfolio over prior period.
- The Fund disposed of one residential asset in Atlanta and did not acquire any new residential assets during third quarter but did fund $22.7 million to three residential assets under development, one of which completed construction during the quarter.

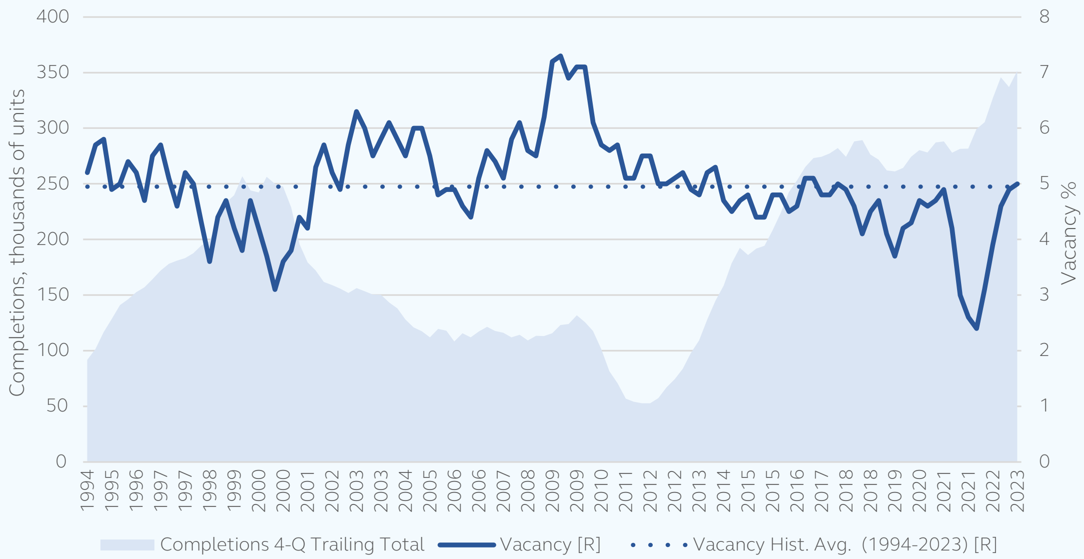
Lifecycle by GAV



Stabilized	**85%**
Development	**11%**
Value-add	**4%**

Refer to End Notes on pages 22-23. Returns shown over one year are annualized. Past performance is not necessarily indicative, or a guarantee, of future returns of the Fund. Investors may lose investment capital. See the Portfolio Summary on pages 16-18 for a complete list of the Fund's investments. There can be no assurance that any potential investments will be consummated by the Fund or, if such potential investments are consummated, that such investments will be made on the terms described herein. Due to rounding, figures and percentages shown may not add to the totals or equal 100%.

U.S. Residential Construction and Vacancy



Source: CBRE EA, Principal Real Estate, Q3 2023

Solaris Key Tampa, FL

Residential Sector Commentary

- The residential sector continues to see a moderate deterioration in fundamentals as the vacancy rate has increased again in Q3, and now stands above 5%, at the lower bound of equilibrium. Occupancy challenges are largely the result of record levels of new supply being delivered nationally at a time when demand has reverted to its pre-pandemic trend.
- While residential remains one of the preferred sectors within commercial real estate, it has not escaped the effects of capital market uncertainty. Although the sector continues to benefit from liquidity through government-sponsored enterprises, investors remain deterred by the rising cost of leverage at a time when private valuations are challenged.
- Owners are expected to see some respite because of higher interest rates and the cost of capital, which will slow the pace of new development starting in 2024. For example, permitting of multi-family projects with five or more units, a good indicator of future development, is down 18% on a year-over-year basis.

Additional U.S. Residential Metrics

Vacancy Rate	5.2%
12-month vacancy change	1.3%
12-month net absorption	151,939 units
NFI-ODCE going in cap rate	4.4%
12-month transaction volume	$144.0 bil.
12-month transaction volume change	-63.8%

Source: RCA, CBRE EA, Principal Real Estate, Q3 2023

Industrial

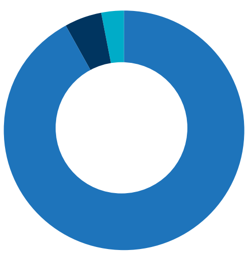
Property Sector Statistics

GAV	$1,690,322,131
NAV	$1,370,972,216
Number of investments	19
Total square feet	11,099,657
Occupancy	97%
Weighted Average Lease Term	4.63 years

Gross Unlevered Property Returns

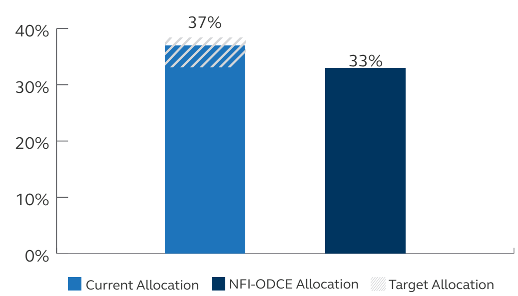
Period	Income	Appreciation	Total	Total Fund Return (Net)
Quarter	1.09%	-1.51%	-0.42%	-2.66%
1 Year	3.80%	-7.01%	-3.41%	-14.00%
3 Years	3.81%	10.98%	15.10%	8.01%
5 Years	3.79%	10.59%	14.67%	6.20%
10 Years	4.08%	11.34%	15.76%	9.78%

Subsector Allocation



- Warehouse **92%**
- Manufacturing **5%**
- Specialized **3%**

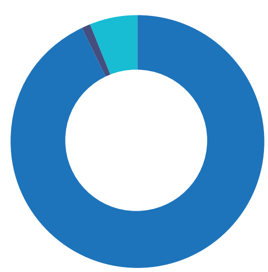
Allocation vs. Target & Benchmark



Industrial Sector Highlights

- Industrial occupancy increased by 80bps but still rounds to 97% as of 9/30, unchanged from prior quarter. The sector had 92,901 square feet of positive net absorption during third quarter driven by new leasing in Nashville and Seattle.
- 2023 year to date industrial same property net operating income increased 11% from same period 2022, driven by a development delivery in Phoenix reaching stabilization, and increased revenue at projects in Charlotte, Nashville, and Seattle.
- The Fund did not dispose of or acquire any new industrial assets during third quarter but funded $17.2 million to two industrial assets under development.

Lifecycle by GAV



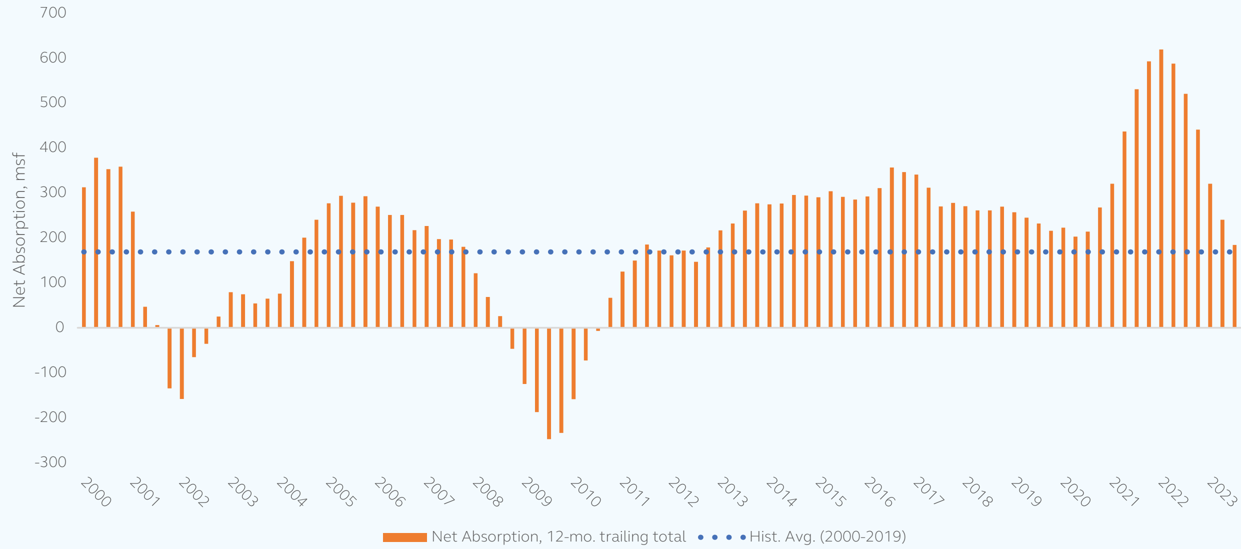
- Stabilized **93%**
- Value-add **1%**
- Development **6%**

Leasing Expiration Schedule (for the year ending)

2023	2024	2025	2026	2027
0%	2%	17%	17%	16%

Refer to End Notes on pages 22-23. Returns shown over one year are annualized. Past performance is not necessarily indicative, or a guarantee, of future returns of the Fund. Investors may lose investment capital. See the Portfolio Summary on pages 16-18 for a complete list of the Fund's investments. There can be no assurance that any potential investments will be consummated by the Fund or, if such potential investments are consummated, that such investments will be made on the terms described herein. Due to rounding, figures and percentages shown may not add to the totals or equal 100%.

Industrial Net Absorption, 12-mo. trailing total



*Represents the sum of Twenty-foot Equivalent Units from the ports of Los Angeles, Long Beach, New York/New Jersey, Miami, Norfolk, Savanna, Jacksonville, Seattle, San Diego, Baltimore, and Boston.
Source: Bloomberg, Principal Real Estate, September 2023

TRICENTER NORTH V Raleigh, NC

Industrial Sector Commentary

- The industrial sector remains relatively healthy, but headwinds to both market fundamentals and capital markets continue to mount. Demand has slowed in 2023, reverting to its pre-pandemic norms, while high levels of new supply have already begun to push vacancy rates upward. Longer-term, higher interest rates, and more restrictive debt capital are expected to slow the pace of new supply, helping the sector.
- National availability increased to 6.4%, a 50-bps increase compared to Q2 – for context, equilibrium availability for the market remains in the 9 to 10% range, meaning that we believe we should still see fairly healthy rental inflation on leases over the next 12 months. We believe sturdy fundamentals and stable long-term demand drivers will support the sector despite the prospect of slower rent growth and a potential recession.
- Not immune to capital market headwinds, investor demand has wavered in the past 12 months and value adjustments are expected to continue during this period of price discovery. High interest rates and stressed debt capital markets continue to impact real estate valuations, and we can expect the write-downs to continue in the short term.

Additional U.S. Industrial Metrics

Vacancy Rate	6.5%
12-month vacancy change	1.8%
12-month net absorption	179.2 msf
NFI-ODCE going in cap rate	3.5%
12-month transaction volume	$91.8 bil
12-month transaction volume change	-50.6%

Source: RCA, CBRE EA, Principal Real Estate, Q3 2023

Office

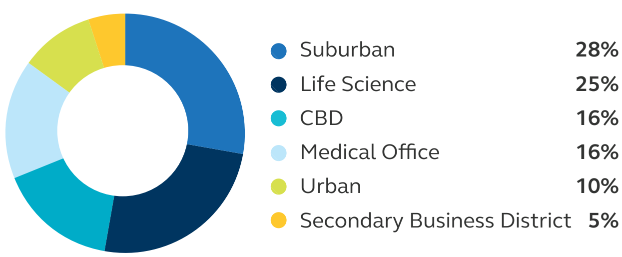
Property Sector Statistics

GAV	$791,371,000
NAV	$485,526,718
Number of investments	13
Total square feet	2,367,893
Occupancy	86%
Weighted Average Lease Term	5.90 years

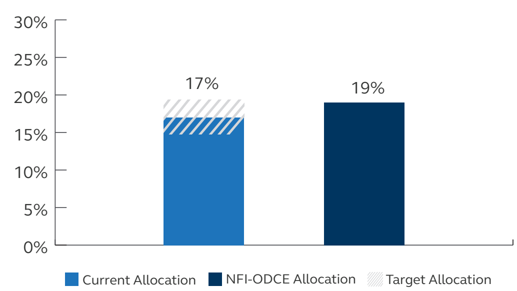
Gross Unlevered Property Returns

Period	Income	Appreciation	Total	Total Fund Return (Net)
Quarter	1.66%	-4.49%	-2.83%	-2.66%
1 Year	5.76%	-20.08%	-15.21%	-14.00%
3 Years	5.07%	-7.29%	-2.49%	8.01%
5 Years	5.25%	-5.25%	-0.20%	6.20%
10 Years	5.43%	-1.94%	3.41%	9.78%

Subsector Allocation



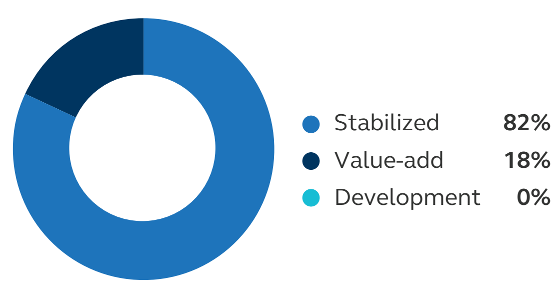
Allocation vs. Target & Benchmark



Office Sector Highlights

- Office occupancy ended third quarter at 86%, up from 85% last quarter. For the quarter the office portfolio saw 14,742 square feet of negative net absorption, but the disposition of a 34% occupied office building during 3Q resulted in overall occupancy increasing. Move-outs in Charlotte and Denver drove the negative absorption for the quarter.
- 2023 year to date office same property net operating income finished up 13% over same period 2022, driven by increased occupancy at Monument III (Washington, D.C.) and Bay Center (Oakland).
- The Fund disposed of one office asset in third quarter, 2401 Penn, via uncontested foreclosure.
- The office portfolio has very limited lease rollover over in the near-term, with just 1% rolling in 2023, and 1% in 2024.

Lifecycle by GAV



Leasing Expiration Schedule (for the year ending)

2023	2024	2025	2026	2027
1%	1%	13%	12%	7%

Refer to End Notes on pages 22-23. Returns shown over one year are annualized. Past performance is not necessarily indicative, or a guarantee, of future returns of the Fund. Investors may lose investment capital. See the Portfolio Summary on pages 16-18 for a complete list of the Fund's investments. There can be no assurance that any potential investments will be consummated by the Fund or, if such potential investments are consummated, that such investments will be made on the terms described herein.

Source: NCREIF NPI, Principal Real Estate, Q3 2023

UCLA Health Los Angeles, CA

Office Sector Commentary

- The office sector remains vexed by subpar workplace attendance and still weakening market fundamentals. Net absorption continues to decline, and the national vacancy rate is as high as it has been since the early 1990s when the sector faced a supply overhang due to excess new development.
- Demand continues to contract as occupiers are still releasing space that is no longer needed due to consistently depressed in-office attendance and the persistence of hybrid work arrangements. We believe demand issues will take time to remedy, and the prospect for a decline in hiring will not help the situation.
- Medical Office: The sector continues to display resilience following the pandemic. Vacancy rates for medical office properties are roughly half that of traditional office and demand remains healthy. Supply pipelines are also restrained with roughly 1% of existing stock under development through mid-year. This, combined with a lack of available capital for construction, makes it unlikely, in our opinion, that supply will become a headwind. Demand drivers remain intact due to structural shifts in demographics that will increase healthcare utilization

Additional U.S. Office Metrics

Vacancy Rate	18.4%
12-month vacancy change	1.4%
12-month net absorption	-33.7 msf
NFI-ODCE going in cap rate	5.0%
12-month transaction volume	$54.4 bil.
12-month transaction volume change	-64.7%

Source: RCA, CBRE EA, Principal Real Estate, Q3 2023

Retail

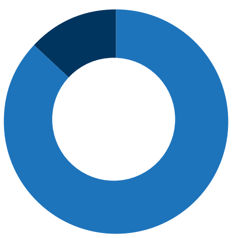
Property Sector Statistics

GAV	$359,162,155
NAV	$312,758,650
Number of investments	7
Total square feet	1,136,646
Occupancy	91%
Weighted Average Lease Term	5.72 years

Gross Unlevered Property Returns

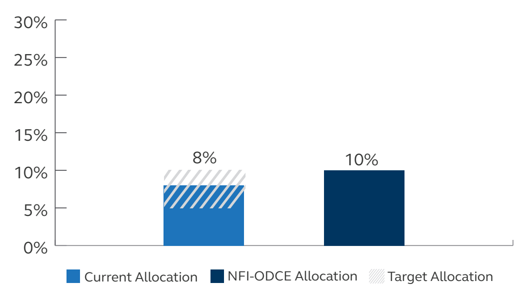
Period	Income	Appreciation	Total	Total Fund Return (Net)
Quarter	1.33%	-2.39%	-1.06%	-2.66%
1 Year	5.69%	-5.84%	-0.40%	-14.00%
3 Years	5.87%	-2.34%	3.43%	8.01%
5 Years	5.08%	-3.58%	1.36%	6.20%
10 Years	5.03%	0.51%	5.55%	9.78%

Subsector Allocation



Strip	**87%**
Street	**13%**
Mall	**0%**

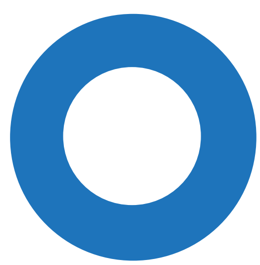
Allocation vs. Target & Benchmark



Retail Sector Highlights

- Retail occupancy ended third quarter at 91%, down slightly from 2Q. The Fund recorded 23,107 square feet of negative net absorption during the quarter driven by a Bed Bath & Beyond bankruptcy in Boston.
- 2023 year to date retail same property net operating income decreased 5% from same period 2022, driven by reduced occupancy due to the Bed Bath & Beyond move out in Boston, and increased operating expenses in Seattle.
- The Fund disposed of one retail investment during the quarter, Hartford Corners, for $28.1 million.

Lifecycle by GAV



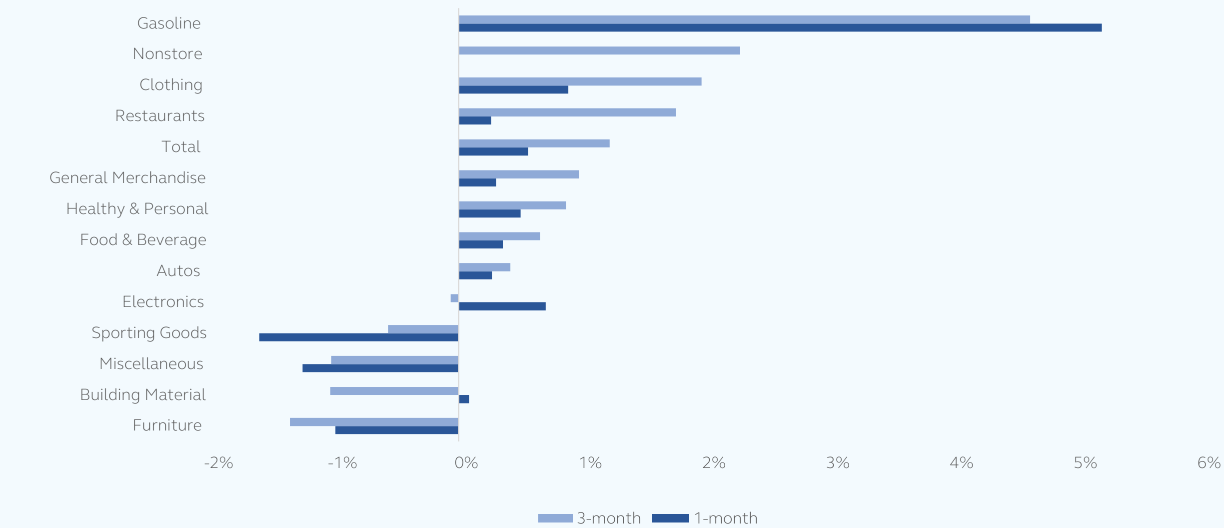
Stabilized	**100%**
Value-add	**0%**
Development	**0%**

Leasing Expiration Schedule (for the year ending)

2023	2024	2025	2026	2027
1%	14%	15%	11%	5%

Refer to End Notes on pages 22-23. Returns shown over one year are annualized. Past performance is not necessarily indicative, or a guarantee, of future returns of the Fund. Investors may lose investment capital. See the Portfolio Summary on pages 16-18 for a complete list of the Fund's investments. There can be no assurance that any potential investments will be consummated by the Fund or, if such potential investments are consummated, that such investments will be made on the terms described herein.

Monthly Retail Sales by Retailer (M/M % Change)



Source: U.S. Census Bureau, Moody's Analytics, Principal Real Estate, September 2023

PIEDMONT RETAIL Charlotte, NC

Retail Sector Commentary

- The retail sector maintains its strong performance. Consumers have remained steadfast, and the market fundamentals are improving, unlike most other sectors. With steady demand, limited store closures, and minimal new supply, the national vacancy rate has declined to 4.2% and rent growth on a trailing 12-month basis is 3.2% year to date.
- Since consumers have largely drawn down on their pandemic savings, demand headwinds may be in the offing. Real retail sales are declining on a year-over-year basis, as consumers curtail discretionary spending. This weakening consumer resolve is an area of future concern, especially among discretionary retail formats like malls, power centers, and high street properties.
- Although not immune to recent capital market headwinds, retail has outperformed other property sectors on a relative basis. In the last 12 months, transaction volumes for retail have dropped from $99 billion to $47 billion, the lowest experienced by any of the four major property types and reflects a decreased investor appetite for commercial real estate.

Additional U.S. Retail Metrics

Vacancy Rate	6.6%
12-month vacancy change	-0.5%
12-month net absorption	20.7 msf
NFI-ODCE going in cap rate	5.2%
12-month transaction volume	$52.8 bil.
12-month transaction volume change	-46.7%

Source: RCA, CBRE EA, Principal Real Estate Investors, Q3 2023

Portfolio Summary

Property	MSA	Structure	Acquisition Date	Area SF/Units	9/30/2023 Occupancy	Value[1] ($ MM)
Coda	Denver	Joint Venture	04/18/2013	182	95%	$68.5
The Academy at Frisco	Univ. of Arkansas	Joint Venture	01/29/2015	219	100%	$48.2
Shortbread Lofts	Raleigh	Wholly Owned	08/05/2015	85	99%	$61.1
The Courts at Spring Mill Station	Philadelphia	Wholly Owned	10/07/2015	385	94%	$123.3
Solaris Key	Tampa	Wholly Owned	05/12/2016	426	95%	$135.5
The Academy on Charles	Baltimore	Joint Venture	11/04/2016	106	100%	$48.5
The Marke of Elmhurst	Chicago	Wholly Owned	11/20/2017	164	95%	$63.9
Westerly at Worldgate	Washington, D.C.	Joint Venture	09/13/2018	320	94%	$75.2
Elan City Center	Raleigh	Wholly Owned	09/18/2018	213	95%	$61.4
Alta Clara at the Fells	Boston	Wholly Owned	11/01/2018	261	92%	$126.9
7140 Optima Kierland	Phoenix	Joint Venture	02/13/2019	213	92%	$138.5
7160 Optima Kierland	Phoenix	Joint Venture	02/13/2019	150	88%	$59.7
7190 Optima Kierland[2]	Phoenix	Joint Venture	08/06/2021	216	37%	$121.9
1760 3rd Avenue	New York	Joint Venture	02/19/2019	511	100%	$108.0
The Beacon	Oakland	Joint Venture	04/17/2019	275	87%	$139.7
Spectator	Atlanta	Wholly Owned	06/12/2019	281	90%	$96.8
Dash at Downers Grove	Chicago	Joint Venture	10/01/2021	167	55%	$57.8
Bella Terra	Seattle	Joint Venture	01/21/2022	235	95%	$100.7
Vivo on Harbor[2]	Los Angeles	Joint Venture	03/04/2022	0	N/A	$24.8
The Maxwell[2]	Orlando	Joint Venture	08/16/2022	0	N/A	$45.5
Residential Subtotal				**4,409 units**	**88.6%**	**$1,705.8**

[1]Value reflects the Fund's ownership interest; [2]Development asset
Due to rounding, some totals may not correspond with the sum of the separate figures.

Property	MSA	Structure	Acquisition Date	Area SF/Units	9/30/2023 Occupancy	Value[1] ($ MM)
Mid-South Logistics Center	Nashville	Wholly Owned	10/17/2006	1,531,016	100%	$164.6
Oakesdale Bldg. D	Seattle	Wholly Owned	01/16/2007	59,234	100%	$15.9
Oakesdale	Seattle	Wholly Owned	01/16/2007	534,106	91%	$122.5
Bay Area Business Park (Phase I)	Houston	Wholly Owned	01/17/2007	1,179,960	100%	$130.0
Bay Area Business Park (Phase II)	Houston	Wholly Owned	01/17/2007	829,415	100%	$100.9
Bay Area Business Park (Phase III)	Houston	Wholly Owned	02/11/2019	1,333,120	94%	$147.7
Cascade Distribution Center	Portland	Wholly Owned	12/14/2007	303,626	100%	$50.7
East Valley Commerce Center (Phase I)	Phoenix	Joint Venture	07/09/2015	349,049	100%	$58.9
East Valley Commerce Center (Phase II)	Phoenix	Joint Venture	08/29/2018	363,600	100%	$61.5
East Valley Commerce Center (Phase III)	Phoenix	Joint Venture	12/22/2020	406,575	100%	$76.7
Tech Distribution Center	Raleigh	Wholly Owned	07/08/2016	245,000	100%	$37.8
Tricenter North V	Raleigh	Wholly Owned	07/08/2016	203,385	100%	$31.1
San Leandro Business Center	Oakland	Wholly Owned	12/16/2016	552,636	100%	$180.2
Westpark 85 (Phase I)	Charlotte	Wholly Owned	01/25/2017	460,520	100%	$68.5
Westpark 85 (Phase II)	Charlotte	Wholly Owned	01/25/2017	566,800	100%	$65.1
Power Secure	Raleigh	Wholly Owned	11/01/2017	258,060	100%	$40.6
XR1 International	Salt Lake City	Wholly Owned	08/03/2021	457,320	100%	$66.0
Whisper Hills West	Austin	Joint Venture	08/19/2021	208,387	24%	$18.5
Denton ICC 35[2]	Dallas	Joint Venture	09/02/2021	0	N/A	$49.6
Hitachi Hillsboro	Portland	Wholly Owned	12/09/2021	195,546	100%	$45.9
I-76 Commerce Center	Denver	Joint Venture	01/14/2022	618,480	100%	$57.5
Hillview	Louisville	Wholly Owned	07/01/2022	443,822	100%	$46.7
Creekside Logistics[2]	Nashville	Joint Venture	08/26/2022	0	N/A	$53.6
Industrial Subtotal				**11,099,657 sf**	**97.4%**	**$1,690.3**

[1]Value reflects the Fund's ownership interest; [2]Development asset
Due to rounding, some totals may not correspond with the sum of the separate figures.

Portfolio Summary continued

Property	MSA	Structure	Acquisition Date	Area SF/Units	9/30/2023 Occupancy	Value[1] ($ MM)
1290 Broadway	Denver	Wholly Owned	08/22/2005	252,230	77%	$39.4
Bay Center	Oakland	Joint Venture	06/01/2007	329,176	60%	$201.6
Piedmont Office	Charlotte	Wholly Owned	10/18/2007	420,567	97%	$126.2
Parkridge Four	Denver	Wholly Owned	10/20/2015	192,694	80%	$21.0
100 St. Paul	Denver	Joint Venture	07/14/2016	147,939	100%	$78.3
Monument III	Washington, D.C.	Joint Venture	08/09/2017	195,044	85%	$36.4
Carlyle Overlook	Washington, D.C.	Joint Venture	09/26/2018	126,465	57%	$30.8
3701 Wayzata	Minneapolis	Joint Venture	12/13/2018	308,681	99%	$46.6
Broadway Tower	Portland	Wholly Owned	03/03/2020	171,207	100%	$86.8
Bellevue South Medical Office	Seattle	Wholly Owned	08/18/2009	45,495	100%	$40.9
UCLA Health	Los Angeles	Wholly Owned	10/04/2021	32,418	100%	$27.9
313 Speen	Boston	Wholly Owned	12/28/2021	59,205	96%	$20.7
Wexford Medical	Pittsburgh	Wholly Owned	12/21/2021	44,772	100%	$14.5
Bee Cave	Austin	Joint Venture	06/15/2022	42,000	86%	$20.3
Office Subtotal				**2,367,893 sf**	**85.9%**	**$791.4**
Baybrook Square	Houston	Wholly Owned	06/17/2005	310,101	86%	$74.7
Ballard Blocks I	Seattle	Joint Venture	07/02/2009	131,965	98%	$27.3
Ballard Blocks II	Seattle	Joint Venture	03/31/2009	115,783	99%	$34.5
Alhadeff Coliseum	Seattle	Wholly Owned	03/26/2007	16,200	100%	$4.8
Best Buy	Seattle	Wholly Owned	07/03/2007	45,000	100%	$20.5
Piedmont Retail	Charlotte	Wholly Owned	10/18/2007	73,258	85%	$22.7
Bellevue North	Seattle	Wholly Owned	08/18/2009	74,087	100%	$41.9
Bellevue South Retail	Seattle	Wholly Owned	08/18/2009	138,105	94%	$71.4
The Launch	Boston	Joint Venture	06/09/2015	232,147	84%	$61.4
Retail Subtotal				**1,136,646 sf**	**90.7%**	**$359.2**
Bell Yard Old Settlers	Austin	Joint Venture	06/09/2022	19 acres	N/A	$7.7
Land Subtotal				**19 acres**		**$7.7**
Total Portfolio				**14,604,196 sf** **4,409 units** **19 acres**	**93.6%**	**$4,554.4**

Wholly Owned	**57.0%**
Joint Venture	**43.0%**

[1]Value reflects the Fund's ownership interest; [2]Development asset
Due to rounding, some totals may not correspond with the sum of the separate figures.

Financial Highlights

Earnings Summary*	9/30/2023	Year-to-Date
Net Operating Income	$64,554	$170,064
Funds From Operations[1]	$37,147	$91,322
Dividend Distribution[2]	$30,622	$95,109
Dividend Per Share[3]	$0.143	$0.445
Dividend Yield[4]	1.00%	3.00%

*Refer to End Notes on pages 22-23. Amounts in $000s except shares outstanding, share price, dividend per share, dividend yield and Fund T1 Total Leverage figures. Past performance is not necessarily indicative, or a guarantee, of future returns of the Fund. Investors may lose investment capital. See page 5 "Performance Summary" and related End Notes on pages 22-23 for additional information regarding the Fund's performance. See the Portfolio Summary on pages 16-18 for a complete list of the Fund's investments.

Fund T1 Total Leverage (as of September 30, 2023)	
Fund's economic share of operating model debt	$858,540,635
Wholly owned property level debt	856,439,303
Total T1 Leverage	**$1,714,979,937**

Total Gross Assets	
Total balance sheet assets	$4,992,653,029
Joint venture partner economic share of total assets	(338,071,472)
Fund's economic share of unconsolidated joint venture liabilities	42,326,440
Total Gross Assets	**$4,696,907,997**
Fund T1 Leverage Percentage	**36.51%**

As of September 30, 2023, the Fund Tier 1 (T1) leverage percentage is being presented for informational purposes only. Please note that the calculation of such figure is different from the methodologies used to calculate the amount of the Fund's indebtedness for purpose of the leverage limitations in the Investment Guidelines (as set forth in the limited partnership agreement of the Fund), as well as the calculation of the Net Asset Value (as set forth in the limited partnership agreement of the Fund) and the preparation of the Fund's financial statements. Additional information regarding the assumptions, calculations and estimates used with respect to the T1 leverage percentage calculation is available upon request. In addition, the NCREIF PREA Reporting Standards, which were used as the basis for this calculation, are available at the following website: http://www.reportingstandards.info/.

BELLEVUE NORTH Seattle, WA

Sustainability

Principal Asset Management believes that sustainability considerations and their impact on investment performance is a critical area of focus for both investment and operational factors of the Fund. This commitment to sustainability is a continuation of a firm wide effort through Principal Asset Management's participation as a signatory to the Principles for Responsible Investment. The firm has also been recognized as an ENERGY STAR® Partner of the Year, including a sixth Sustained Excellence award in 2023[1]. Further, Principal Real Estate developed a proprietary Pillars of Responsible Property Investing (PRPI) platform that outlines asset management and fiduciary governance designed to facilitate return generation and more environmentally sustainable investment and operational practices. The results of these efforts for PEPF are outlined in the chart shown on this page. In 2023, the Fund was evaluated for the 10th time by The Global Real Estate Sustainability Benchmark (GRESB), an industry association that analyzes sustainability performance. The Fund received its 10th consecutive Green Star rating and placed 38th in a field of 62 U.S. diversified, non-listed property strategies, with a total score of 79. The Fund continues to focus on progress towards its 2035 sustainability goals; including a 40% reduction in GHG emissions and a 20% reduction in energy consumption, water consumption, and waste diversion. In addition, the Fund in pursuing a 50% data coverage goal for Energy, Water, and Waste. The Fund will continue to pursue more sustainable investment practices where it believes those efforts are economically feasible and consistent with our fiduciary obligation to investors.

Ongoing Commitment to Sustainability

PILLARS OF RESPONSIBLE PROPERTY INVESTING

Pillars of Responsible Property Investing (PRPI) platform outlines asset management and fiduciary governance to facilitate return generation and environmentally sustainable investment and operational practices.

31
Assets LEED Certified

8
Assets ENERGY STAR Certified[2]

2
IREM Certified Sustainable Properties

3
Assets Fitwel Certified

Sustainability Performance:

38th place

In a field of 62 U.S. diversified, non-listed property strategies[3]

In order to receive the certifications and ranking, the Firm paid an application fee to be evaluated and for the rights to use the ranking.

As of 30 September, 2023.
[1]Each year, the EPA honors organizations that have made outstanding contributions to protecting the environment through energy efficiency. April 2023, U.S. Environmental Protection Agency. [2]Certifications specific to assets held by the Principal Enhanced Property Fund as of 30 September 2023. [3]2023 GRESB assessment for the Principal Enhanced Property Fund, data as of 31 December 2022.

THE BEACON Oakland, CA

End Notes

Certain information contained in this report constitutes “forward-looking statements” that can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “intend,” “continue,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Furthermore, any projections or other estimates in this report, including estimates of returns or performance, are “forward-looking statements” and are based upon certain assumptions that may change. Due to various risks and uncertainties, actual events or results or the actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Forward-looking statements and discussions of the business environment, investment strategy of the Fund and investment performance included herein (e.g., with respect to financial markets, business opportunities, demand, investment pipeline and other conditions) are subject to the ongoing novel coronavirus outbreak (“COVID-19”). The ultimate and lasting impact of COVID-19 is particularly uncertain and difficult to predict, therefore such forward-looking statements do not reflect its ultimate potential effects, which may substantially and adversely impact the Fund’s execution of its investment strategy. See “Section VII - Certain Investment Considerations and Risk Factors - Public Health Emergencies; COVID-19” in the Memorandum. Moreover, actual events are difficult to project and often depend upon factors that are beyond the control of Principal Real Estate Investors, LLC and its affiliates. In addition, certain information contained in this report discusses the past performance of the Fund. As with all investments, past performance is not necessarily indicative, or a guarantee, of future returns of the Fund. Investors may lose investment capital.

Unless otherwise specified, performance figures reported herein are as of September 30, 2023. Certain information included in this supplement was derived from third-party materials or other sources believed to be accurate, but no independent verification has been made of such material or other sources. The inclusion of any third-party firm and/or company names, brands and/or logos does not imply any affiliation with these firms or companies. None of these firms or companies have endorsed the firm, the Fund or any associated entities or personnel.

The valuations presented herein were performed based upon various inputs, which potentially include, to the extent applicable, market quotations for comparable assets, discounted cash flow analysis, multiples of specific financial measurement (such as earnings) at which comparable assets have traded and the prices at which public and private transactions in comparable assets have been consummated. Many of these inputs have declined in recent periods. In addition, due to the substantial volatility experienced by many of such inputs in recent periods, the subjective decisions of the General Partner regarding which inputs to select, the measurement dates and the relative weights to assign to such inputs all have a disproportionate impact on the valuations presented herein. The General Partner’s determination of any investment’s fair value in the future (or the value that would have been determined had such facts been known as of September 30, 2023) is likely to differ as a result.

Capitalized terms used but not defined herein have the meanings given to them in the Fund’s limited partnership agreement, as amended, and the Fund’s Amended and Restated Confidential Private Placement Memorandum dated January 2020, as supplemented from time to time (the “Memorandum”). As used in this report, “year-to-date” and “YTD” refer to the period beginning on the first date of the calendar year and ending on the last day of the applicable calendar quarter.

The financial information contained within this report reflects the Fund’s proportional ownership. While not consistent with United States generally accepted accounting principles (“U.S. GAAP”), we believe the proportional method of accounting better reflects the economics of the Fund’s investments and transactions. In compliance with REIS, quarterly financial statements presented in accordance with U.S. GAAP are available on the Fund’s website or upon request.

This report has been prepared and presented in compliance with NCREIF PREA Reporting Standards. Real estate investments are valued in accordance with the NCREIF PREA Reporting Standards Property Valuation Standards.

Page 2 – Fund Objectives, Fund Profile, and Fund Diversification

1. The return target of the Fund is not intended to predict the Fund’s performance; instead, it is shown to help explain how the Fund seeks to construct its portfolio. Valuations of the Fund’s current Portfolio, which are conducted quarterly, may also provide a basis of support for the Fund’s objectives. As with all investments, past performance is not necessarily indicative, or a guarantee, of future returns of the Fund. Investors may lose investment capital. See “Certain Investment Considerations and Risk Factors” in the Memorandum.

   In considering the target performance information contained herein, prospective investors should bear in mind that past or targeted performance is not a guarantee, projection or prediction and is not necessarily indicative of future results. There can be no assurance that the fund will achieve comparable results, that targeted returns will be met or that the fund will be able to implement its investment strategy and investment approach or achieve its investment objectives.

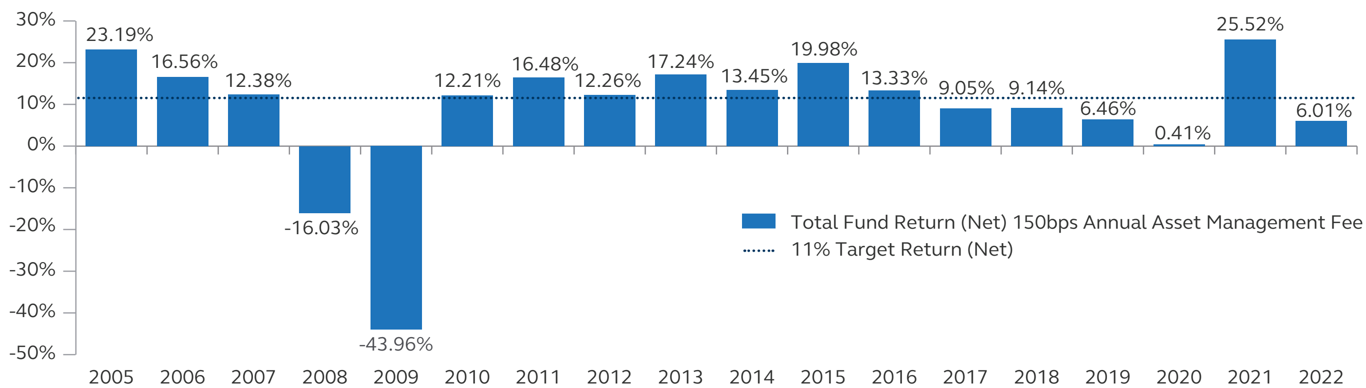
   Actual gross and net returns for the fund may vary significantly from the targeted returns set forth herein. The Fund’s target returns are expected to be realized from the disposition of investments, operating cash flows, distributions and proceeds from borrowing, using leverage where the General Partner believes it appropriate. The target returns stated herein are based on the General Partner’s belief about what returns may be achievable on the types of investments that the general partner intends to pursue in light of the general partner’s experience with similar transactions. Actual realized returns on the fund’s investments will depend on, among other factors, the ability to consummate attractive investments, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale.
2. Please refer to the Memorandum for a discussion of the appraisal process and the mark-to-market policy with respect to debt (and the risks related thereto).
3. Fund Investment Guidelines limit property type allocations to a ± 75% variance from the current NCREIF allocation at the time an investment is made.

Page 5 – Performance Summary and Annual Performance Summary

1. Property Returns and Total Property Return are unlevered, before fees, Fund expenses and cash, and calculated in accordance with NCREIF property return methodology.
2. Total Fund Return (Gross) is levered and after Fund expenses and cash, but before fees.
3. Total Fund Return (Net) is levered, after fees, Fund expenses and cash. Fees include asset management fees which range from 80-150 basis points and are billed outside the Fund, financing and incentive fees which are expensed, and development fees which are capitalized. Net of fee returns shown on page 5 reflects the actual fee level for investors in the Fund. Actual asset management fees incurred by clients may vary and are subject to change. For comparison the net return at each fee tier is shown below.

Total Fund Return (Net)	3Q 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Actual Annual Asset Management Fee	**-2.66%**	**-7.89%**	**-14.00%**	**8.01%**	**6.20%**	**9.78%**	**6.87%**
80bps	-2.58%	-7.68%	-13.74%	8.33%	6.53%	10.20%	7.25%
85bps	-2.60%	-7.72%	-13.79%	8.27%	6.48%	10.14%	7.20%
100bps	-2.63%	-7.82%	-13.92%	8.11%	6.32%	9.98%	7.04%
110bps	-2.66%	-7.89%	-14.01%	8.01%	6.21%	9.87%	6.94%
120bps	-2.68%	-7.97%	-14.10%	7.90%	6.11%	9.77%	6.83%
130bps	-2.71%	-8.04%	-14.19%	7.79%	6.00%	9.66%	6.73%
140bps	-2.73%	-8.11%	-14.28%	7.69%	5.90%	9.55%	6.62%
150bps	-2.76%	-8.18%	-14.37%	7.58%	5.79%	9.44%	6.52%

Net total fund returns include leverage and are shown after deduction of expenses including asset management fees which range from 0.80% to 1.50% annually. Actual asset management fees incurred by clients may vary and are subject to change. For comparison, the net total fund return at the highest asset management fee level of 150 basis points is shown above. As with all investments, past performance is not necessarily indicative, or a guarantee, of future returns of the Fund. Investors may lose invested capital. See "Certain Investment Considerations and Risk Factors" in the Memorandum. Performance figures presented as of September 30, 2023. Global events, including the impact of COVID-19, have resulted in a material deterioration of overall economic and market conditions and are likely to adversely affect future performance.



.4. Dividend 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. Dividend yield of the Fund is only one component of expected performance and is not and should not be viewed as a statement of the future performance of the Fund. See page 5 for the gross and net performance of the Fund.

5. The NFI-ODCE (NCREIF Fund Index - Open-end Diversified Core Equity) is unmanaged and not available for direct investment. It is a gross fund-level capitalization weighted, time weighted return index. The Fund does not seek to construct its portfolio to match the composition of the index or to equal or exceed the performance of the index. As a result, the performance of the index may materially differ from the Fund.
6. The NCREIF Property Index is unmanaged and not available for direct investment. The index includes operating properties only (no development projects); only investment grade, non-agricultural, income producing assets, including apartments, office, industrial, retail and hotels. Properties which have leverage are included in the NPI on an unleveraged basis. The Fund does not seek to construct its portfolio to match the composition of the index or to equal or exceed the performance of the index. As a result, the performance of the index may materially differ from the Fund.
7. Since Inception Returns from May 18, 2004.

Page 19 – Financial Highlights

1. Funds From Operations is defined as Net Operating Income less interest expense and Fund expenses (excluding fees).
2. Dividend Distribution is the net amount distributed to investors after payment of fees.
3. Dividend Per Share is the average, net of fee, dividend per share. Each investor's dividend per share will be different depending on their respective fee structure. Year-to-Date Dividend Per Share is the sum of the Fund's quarterly Dividend Per Share.
4. Dividend Yield for the quarter is based on the quarterly Dividend Per Share divided by the beginning of quarter Share Price. Year-to-Date Dividend Yield is the sum of quarterly dividend yields in the current year. Dividend yield of the Fund is only one component of expected performance and is not and should not be viewed as a statement of the future performance of the Fund. See page 5 for the gross and net performance of the Fund.

Unaudited Financial Statements

CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES	09/30/2023	12/31/2022
ASSETS:		
Investments - at fair value		
Real estate	$4,733,316,000	$4,996,054,000
Unconsolidated real estate joint ventures	102,922,138	118,032,024
Total investments	4,836,238,138	5,114,086,024
Cash and cash equivalents	122,734,795	153,405,671
Restricted cash	8,685,567	15,285,516
Accrued investment income and other assets	24,994,529	24,731,824
Total assets	4,992,653,029	5,307,509,035
LIABILITIES:		
Debt - at fair value	1,757,988,930	1,731,074,342
Accounts payable and accrued expenses	107,787,284	114,177,806
Accrued property taxes	21,521,799	16,900,436
Security deposits	8,008,833	7,987,970
Total liabilities	1,895,306,846	1,870,140,554
NET ASSETS:		
Principal Enhanced Property Fund, L.P.	2,940,600,659	3,261,704,744
Noncontrolling interests	156,745,524	175,663,737
Total net assets	$3,097,346,183	$3,437,368,481

Unaudited Financial Statements

CONSOLIDATED STATEMENT OF OPERATIONS	THREE MONTHS ENDED 9/30/2023	NINE MONTHS ENDED 9/30/2023
INVESTMENT INCOME:		
Revenue from real estate	$94,230,323	$260,467,461
Equity in income from unconsolidated real estate joint ventures	2,242,979	6,406,627
Total investment income	96,473,302	266,874,088
EXPENSES:		
Real estate operating expenses and taxes	32,423,758	96,769,429
Interest expense	23,108,665	66,432,107
Professional and other fees	1,693,374	9,336,443
Total expenses	57,225,797	172,537,979
NET INVESTMENT INCOME	39,247,505	94,336,109
REALIZED AND UNREALIZED GAIN (LOSS):		
Realized gain (loss) from sales of real estate	(23,773,352)	(66,704,652)
Less previously recorded unrealized loss (gain) on real estate sold	(550,782)	46,198,744
Realized gain/(loss) on sale of investments in unconsolidated real estate joint ventures	(4,959,720)	(4,959,720)
Less previously recorded unrealized loss (gain) on unconsolidated real estate joint ventures	2,347,253	2,347,253
Net gain (loss) recognized from sales	(26,936,601)	(23,118,375)
Unrealized gain (loss) on real estate	(95,013,794)	(287,565,605)
Unrealized gain (loss) on unconsolidated joint ventures	(2,815,596)	(7,725,463)
Unrealized gain (loss) on debt	7,705,221	(27,427,136)
Net unrealized gain (loss)	(90,124,169)	(322,718,204)
Net realized and unrealized gain (loss)	(117,060,770)	(345,836,579)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	(77,813,265)	(251,500,470)
LESS PORTION ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(5,040,405)	(20,520,048)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO PRINCIPAL ENHANCED PROPERTY FUND, L.P.	$(72,772,860)	$(230,980,422)
AMOUNTS ATTRIBUTABLE TO PRINCIPAL ENHANCED PROPERTY FUND, L.P.:		
Net investment income	$37,147,205	$91,322,053
Net realized and unrealized gain (loss)	(109,920,065)	(322,302,475)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO PRINCIPAL ENHANCED PROPERTY FUND, L.P.	$(72,772,860)	$(230,980,422)

Unaudited Financial Statements

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Principal Enhanced Property Fund, L.P.	Noncontrolling Interests	Total
NET ASSETS - June 30, 2023	$3,047,660,786	$164,014,409	$3,211,675,195
FROM OPERATIONS:			
Net investment income	37,147,205	2,100,300	39,247,505
Net realized and unrealized gain (loss)	(109,920,065)	(7,140,705)	(117,060,770)
Net increase (decrease) in net assets resulting from operations	(72,772,860)	(5,040,405)	(77,813,265)
FROM CAPITAL TRANSACTIONS:			
Contributions	16,826,420	6,844,844	23,671,264
Distributions	(38,980,917)	(9,010,824)	(47,991,741)
Redemptions	(12,132,770)	(62,500)	(12,195,270)
Net increase (decrease) in net assets resulting from capital transactions	(34,287,267)	(2,228,480)	(36,515,747)
NET INCREASE (DECREASE) IN NET ASSETS	(107,060,127)	(7,268,885)	(114,329,012)
NET ASSETS - September 30, 2023	$2,940,600,659	$156,745,524	$3,097,346,183

Unaudited Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS	THREE MONTHS ENDED 9/30/2023	NINE MONTHS ENDED 9/30/2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net increase (decrease) in net assets resulting from operations	$(77,813,265)	$(251,500,470)
Adjustments to reconcile to net cash flows from operating activities:		
Net realized and unrealized loss (gain)	117,060,770	345,836,579
Equity in income of unconsolidated real estate joint ventures	(2,242,979)	(6,406,627)
Distributions from unconsolidated real estate joint ventures	10,109,432	13,277,382
Changes in:		
Accrued investment income and other assets	(7,743,521)	(153,831)
Accounts payable and accrued expenses	(1,989,862)	451,948
Accrued property taxes	4,697,348	4,621,363
Security deposits	(446,769)	20,863
Total adjustments	119,444,419	357,647,677
Net cash flows from operating activities	41,631,154	106,147,207
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from real estate investment sales	99,621,815	113,418,841
Purchases of real estate investments	-	-
Purchases of real estate improvements	(69,400,122)	(202,186,796)
Contributions to unconsolidated real estate joint ventures	(1,723,948)	(2,098,799)
Net cash flows from investing activities	28,497,745	(90,866,754)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of financing costs	(89,455)	(168,077)
Proceeds from borrowings and issuance of debt	88,975,797	245,957,240
Repayments of debt	(96,662,648)	(203,469,788)
Partner contributions	16,826,420	58,042,983
Partner distributions	(40,908,747)	(127,382,701)
Partner redemptions	(12,132,770)	(27,132,770)
Noncontrolling interests contributions	6,844,844	13,232,569
Noncontrolling interests distributions	(9,010,824)	(11,568,234)
Noncontrolling interests redemptions	(62,500)	(62,500)
Net cash flows from financing activities	(46,219,883)	(52,551,278)
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	23,909,016	(37,270,825)
CASH AND RESTRICTED CASH:		
Beginning of period	107,511,346	168,691,187
End of period	$131,420,362	$131,420,362
RECONCILIATION OF CASH AND RESTRICTED CASH:		
Cash	$122,734,795	$122,734,795
Restricted cash	8,685,567	8,685,567
Cash and restricted cash	$131,420,362	$131,420,362

Investing involves risk, including possible loss of principal.

Real estate investment options are subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. Property values can decline due to environmental and other reasons. In addition, fluctuation in interest rates can negatively impact the performance of real estate investment options.

The information in this document has been derived from sources believed to be accurate. It contains general information only on investment matters and should not be considered as a comprehensive statement on any matter and should not be relied upon as such. The information it contains does not take account of any investor's investment objectives, particular needs or financial situation. You should consider whether an investment fits your investment objectives, particular needs and financial situation before making any investment decision.

This Report includes information on Principal Asset Managements' program for incorporating environmental, social and governance (ESG) considerations for the Fund. Such program is subject to Principal Asset Managements' fiduciary duties and applicable legal, regulatory, and contractual requirements and is expected to change over time. Integration of ESG factors is qualitative and subjective by nature. There is no guarantee that the criteria used, or judgment exercised, will reflect the beliefs or values of any particular investor or market trends. There are a variety of ESG principles, frameworks, methodologies, and tracking tools; Principal Asset Managements' adoption and adherence to those discussed herein or to any others is expected to vary over time as ESG practices evolve. Investment teams have a high degree of investment process autonomy and may consider or weight ESG criteria or factors differently (or not at all). For those teams that consider ESG factors as part of the investment process in strategies that are not explicitly ESG-oriented, those ESG factors are generally no more significant than other factors in the investment selection process, such that ESG factors may not be determinative in deciding to include or exclude any particular investment in the portfolio. Information regarding responsible practices or other ESG data differs by source and may not be accurate or complete, and Principal Asset Management does not independently verify all ESG information it receives from investments or third-party advisors or data sources, and it may decide in its discretion not to use certain information or accept certain recommendations. Integration of ESG factors may present additional advantages or risks, may not protect against market risk or volatility, and under certain circumstances may detract from investment performance. You should not make any investment assumptions based solely on the information contained herein. Information is provided as additional insight into the relevant investment processes and should not be viewed as a change in an investment team's underlying investment objectives, strategies, risk parameters, or portfolio construction guidelines. There is no assurance that any strategy or integration of ESG factors will be applied to a particular investment, or where applied to an investment, will be successful or profitable.

There is no guarantee that any ESG measures, targets, programmes, commitments, incentives, initiatives, or benefits will be implemented or applicable to the assets held by the Fund, and any implementation of such ESG measures, targets, programmes, commitments, incentives, initiatives, or benefits may be overridden or ignored at the sole discretion of Principal Global Investors at any time and in accordance with relevant sectoral legislation unless otherwise specified in the relevant fund documentation or regulatory disclosures made pursuant to Regulation (EU) 2019/2088. Any ESG measures, targets, programmes, commitments, incentives, initiatives, or benefits referenced are not promoted to investors and do not bind any investment decisions or the management or stewardship of the Fund for the purpose of Regulation (EU) 2019/2088 unless as otherwise specified in the relevant fund documentation or regulatory disclosures.

References to "sustainable", "sustainability" or variations thereof are not intended to reflect the meaning of "sustainable investment" under Regulation (EU) 2019/2088, and references to "environmentally sustainable" or variations thereof are not intended to reflect the meaning of "environmentally sustainable investment" under Regulation (EU) 2020/852.

This document is issued in The United States by Principal Global Investors, LLC, which is regulated by the U.S. Securities and Exchange Commission.

Additional information about the Fund and the Portfolio is available to investors on the Fund's secured website. Please contact Betsy Hungerford, 515-283-5520 or hungerford.elizabeth@principal.com, in our Client Service Group if you need assistance or if you have any other questions regarding your investment.

For a listing of our office locations, please visit www.principalam.com

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