



# AFL-CIO BUILDING INVESTMENT TRUST

## Status and Performance: First Quarter 2020

### Fund Overview

The AFL-CIO Building Investment Trust (BIT) is a bank collective trust for which PNC Bank, National Association, is trustee. The investors in the BIT are comprised of qualified pension funds and retirement plans with union beneficiaries. The primary objective of the BIT is to generate competitive risk-adjusted returns by investing in real estate investments that have the potential to offer the BIT current cash return, long-term capital appreciation, or both. As a collateral objective, BIT investments help create union jobs and promote positive labor relations.

### BIT Portfolio Summary, 3/31/2020

Gross Asset Value <sup>1</sup>	\$7.1 B	Square Feet <sup>6</sup>	15.1 M
Net Asset Value <sup>2</sup>	\$5.3 B	Multifamily Units <sup>7</sup>	7,733
Participants <sup>3</sup>	248	Occupancy, Commercial <sup>8</sup>	96.0%
Properties <sup>4</sup>	60	Occupancy, Multifamily <sup>9</sup>	93.2%
Portfolio Leverage <sup>5</sup>	25.1%	Cash <sup>10</sup>	5.6%

### Returns for Periods Ended 3/31/2020<sup>\*,11</sup>

	Quarter	One-Year	Three-Year	Five-Year	Ten-Year	Since BIT Inception (7/1/1988)
<b>BIT Gross</b>	0.66%	3.41%	5.80%	7.60%	10.35%	7.73%
<b>BIT Net</b>	0.43%	2.50%	4.87%	6.64%	9.33%	6.66%
<b>Income (Gross)</b>	1.11%	4.07%	3.76%	3.80%	4.30%	6.64%
<b>Appreciation (Gross)</b>	-0.45%	-0.64%	1.98%	3.69%	5.86%	1.03%

#### FOR INSTITUTIONAL USE ONLY

1. The Gross Asset Value or "GAV" is the NAV plus the sum of BIT's debt on wholly-owned investments and BIT's proportionate share of debt on joint venture investments.

2. The Net Asset Value or "NAV" is the value of all investments owned, plus cash, receivables, and other assets minus liabilities.

3. The number of all BIT institutional investors.

4. The number of real estate investments.

5. Portfolio leverage is calculated as the total debt outstanding (including the BIT's proportionate share of debt on joint venture investments) divided by the BIT's GAV.

6. The total rentable square footage within the BIT's office, industrial, and retail investments.

7. Total number of multifamily units, including units under development.

8. The percentage of total square footage leased within the BIT's office, industrial, and retail investments. Excludes investments that are under development or redevelopment.

9. The percentage of units leased within the BIT's multifamily investments. Excludes properties that are under development or redevelopment.

10. Cash is presented as a percentage of Net Asset Value.

11. As previously communicated to 4Q18 BIT investors, returns for one year and longer reflect an adjustment made in 1Q19 to correct an 0.11% overstatement of the 4Q18 return.

\*Performance data shown represents past performance. Past performance does not guarantee future results. Gross returns are calculated net of fund level expenses, except for Trustee fees. Net returns are calculated net of all fund expenses. Returns are calculated quarterly on a time-weighted basis using beginning-of-period values and reflect the reinvestment of all income. All returns, with the exception of those for the current quarter, are annualized. Income is the dividends, interest, and rents net of operating expense from BIT investments and other sources (except realized and unrealized losses from investments). Net appreciation is the realized and unrealized gains and losses from BIT real estate investments calculated based on fair values determined utilizing independent real estate appraisals. Each year, the consolidated financial statements of the BIT are audited by an independent firm, and financial statements based upon such audit are delivered to each Participant. The fair market value of each real estate investment as reflected in such audited financial statements is derived using the same information and methodology as discussed above. Additional information is available in the Investment Memorandum of the BIT or otherwise available upon request.



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### BIT Portfolio Highlights<sup>†</sup>

#### BIT Properties Currently Under Development:

- Waverly, multifamily in Seattle, WA

#### BIT Properties Currently in Lease-Up:

- MacArthur Commons, multifamily in Oakland, CA is 61% leased
- Wolf Point East, multifamily in Chicago, IL, is 20% leased

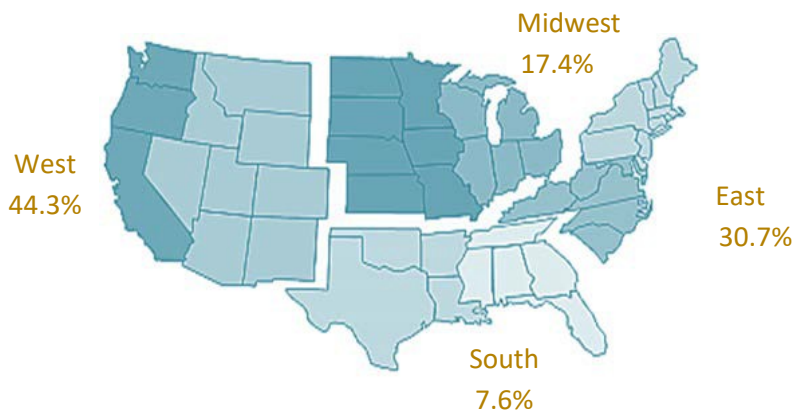
### Top 10 BIT Metropolitan Statistical Areas (MSA)\*

- New York**  
\$731m – 14.5%
- San Francisco**  
\$696m – 13.8%
- Chicago**  
\$675m – 13.4%
- Los Angeles**  
\$520m – 10.3%
- Boston**  
\$261m – 5.2%
- Washington DC**  
\$248m – 4.9%
- Denver**  
\$229m – 4.5%
- Seattle**  
\$193m – 3.8%
- Philadelphia**  
\$173m – 3.4%
- Portland**  
\$166m – 3.3%

**Total: \$3,892m – 77.1%**

\*BIT portfolio percentages are based on NAV, excluding cash, as of 3/31/2020

### BIT Geographic Region\*



### BIT Property Type\*



### BIT - Five Largest Assets (based on NAV as of 3/31/2020)

Property	MSA	Product Type
1801 California Office	Denver	Office
21 West End Avenue	New York	Multifamily
Wacker Office	Chicago	Office
Park & Garden	New York	Multifamily
Cadence	San Francisco	Multifamily

<sup>†</sup>Transactions listed are not a complete list of transactions but contain a sampling of transactions during this time period. A complete list of transactions can be obtained upon request.

The BIT was managed by a trustee unaffiliated with PNC Bank from July 1, 1988 through December 31, 1991, and PNC Bank is relying on data provided by this prior trustee for this time frame.

The AFL-CIO Building Investment Trust (the "BIT", the "Trust", or the "Fund") is a bank collective trust for which PNC Bank, National Association ("PNC Bank") is the trustee. PNC Bank is an indirect, wholly-owned subsidiary of The PNC Financial Services Group, Inc. ("PNC"). PNC may use the service mark "PNC Institutional Asset Management" in connection with certain activities of the Trust. PNC Bank has retained PNC Realty Investors, Inc. ("PRI") to provide real estate investment advisory and management services for the BIT. PNC has retained the AFL-CIO Investment Trust Corporation (the "ITC") to provide investor and labor relation services and AFL-CIO ITC Financial, LLC ("ITC Financial"), an indirect, wholly-owned subsidiary of the ITC, to provide marketing services in connection with the BIT. ITC Financial is a registered broker dealer under the U.S. Securities Exchange Commission (SEC) Act of 1934 as amended and member with the Financial Industry Regulatory Authority, Inc. (FINRA). PNC Bank licenses the ability to use the "AFL-CIO" name in the name of the Trust and in connection with the activities of the Trust.

**Fees and Expenses:** The Trustee pays a trustee fee (the "Trustee Fee") from the assets of the Trust. The Trustee charges 1.0% on net assets up to or equal to \$2 billion, .85% on net assets over \$2 billion and less than or equal to \$3 billion, and .80% on net assets above \$3 billion. The Trustee also charges a .10% fee on uncommitted cash. The Trustee pays the fees for the services of PNC Realty Investors, Inc., AFL-CIO Investment Trust Corporation, and AFL-CIO ITC Financial, LLC out of the Trustee Fee (and not from the assets of the Trust). Other than General Administrative Expenses, the Trustee pays from Trust assets all expenses incurred in connection with the investment, administration and management of the Trust out of trust assets (and not out of the Trustee Fee).

**Risk Factors:** A participant's investments in the BIT are not bank deposits, nor are they backed or guaranteed by PNC or any of its affiliates, and are not issued by, insured by, guaranteed by, or obligations of the FDIC, the Federal Reserve Board, or any government agency. Investment in the BIT involves risk. Investment return and principal value of an investment in the BIT will fluctuate so that a participant's investment, when redeemed, may be worth more or less than the original investment. A participant's redemption of its investment or units in the Trust, or a portion thereof, may be delayed by Trustee for one year (or longer if permissible under applicable law) from the date of the request for such redemption.

The BIT generally invests directly or indirectly in commercial real estate through equity investments. The BIT may also in the future invest in real estate through the provision of financing. Equity investments are subject to risks inherent in or customarily associated with the ownership of income-producing real estate, and real estate financing involves risks inherent in or customarily associated with the risks of financing secured directly or indirectly by income producing real estate.

The BIT's assets are valued at fair market value, or in the absence of fair market value, in accordance with the processes set forth in the Investment Memorandum and the Trust Agreement. In the case of real estate investments for which there is no published market price, fair market value is determined by using third party appraisals or the sales price reflected in a contract of sale. Notwithstanding the foregoing, the value of such investments reflected in the net asset value of the fund may differ materially from the prices at which the Trustee would be able to sell, dispose, or liquidate such investments.

Due to such inherent risks, investment returns can be expected to fluctuate and operating cash flow and the Trust's ability to make redemptions or distributions could be adversely affected. Moreover, due to the nature of real estate, investments may be illiquid. Such illiquidity may affect the Trust's operating cash flow, which, in turn, may delay the ability to satisfy redemption requests. Additionally, the BIT or its investments may obtain financing. Such investments are subject to the inherent risks arising from the use of financing, and such risks may increase volatility of a Fund's performance and may increase the Fund's losses.

The information contained in this material is not intended to be a comprehensive description of any investment product or capability. Rather the information is intended only to aid and be used by representatives of PNC Bank, PRI, ITC and/or ITC Financial in providing information and education regarding the BIT. Neither the information herein, nor any opinion expressed herein, is intended (or should be viewed) as individualized impartial investment recommendations or a suggested course of action for an investor to follow, as it is not intended to reflect all of the factors that an investor's particular situation may warrant when considering an investment and does not consider any individual investor's specific objectives, circumstances or needs, nor does it identify or define all of the risks that may be associated with potential investments. Accordingly, this material is not intended to be viewed or construed as a recommendation, offer or solicitation to purchase or sell any product, security, commodity, currency or other financial instrument, including an interest in the BIT, but is intended only to help evaluate the BIT as a possible investment. The information being provided does not constitute "investment advice" that would make PNC Bank or any affiliate of PNC Bank, PRI, ITC or ITC Financial a "fiduciary" within the meaning of Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, as amended. Investors in, or potential investors of, the BIT should consider carefully the BIT's investment objectives, risks and expenses before investing therein. Investors should consult their own advisors and investment professionals to evaluate the merits and risks of investment.

Except as otherwise disclosed, the materials, representations and opinions presented herein are those of PNC Bank, and are of a general nature and do not constitute the provision by PNC, PRI, ITC or ITC Financial of investment, legal, tax, or accounting advice to any person. Opinions expressed herein are subject to change without notice. The information from third party sources was obtained from sources deemed reliable. Such information is not guaranteed as to its accuracy.

Information contained in the material above regarding or providing past performance should not be considered representative, and is no guarantee, of future performance or results. Forward looking statements contained in the material above involve certain assumptions, including but not limited to the performance of the real estate market, which could cause actual outcomes and results to differ materially from the views expressed in the material above.

More information regarding the investments, risks, and expenses of the BIT, copies of the latest Investment Memorandum and the applicable plan documents for the BIT, including the Trust Agreement and a form of Participation Agreement, may be obtained by contacting 855-530-0640 or [BITTrustOfficer@pnc.com](mailto:BITTrustOfficer@pnc.com). Please read the Investment Memorandum carefully before investing in the BIT.

PNC does not provide legal, tax or accounting advice and does not provide services in any jurisdiction in which it is not authorized to conduct business. PNC Bank is not registered as a municipal advisor under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The Fund is operated by PNC Bank who has filed a claim of exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act ("CEA"), and therefore, PNC Bank is not subject to registration or regulation as a pool operator under the CEA.

**Not FDIC Insured. No Bank Guarantee. May Lose Value. For Institutional Use Only- Not for Use with Retail Investors. Withdrawal Restrictions Apply.**

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