

Tax benefits for REIT investors

Non-listed REITs offer investors some specific tax benefits. One notable advantage to investors is that ordinary distributions from REITs now benefit from a 20% tax rate reduction. Another benefit is the Return of Capital (RoC) tax shelter, which may reduce the taxable portion of distributions by an estimated 60%-90% as a result of factors such as depreciation and amortization.^{1, 2}

Effective tax rates for ordinary distributions

Current tax rate (top 3 brackets)	REIT rate reduction	Effective tax rate for REITs
37%	20%	29.6%
35%		28.0%
32%		25.6%

Hypothetical REIT Portfolio³

Assumes \$100,000 investment; annualized pre-tax yield of 5% (\$5,000 annualized distribution)⁴

ROC Scenarios	0%	60%	90%
Distributions	5,000	5,000	5,000
ROC \$		(3,000)	(4,500)
Taxable Basis	5,000	2,000	500
Tax Rate (Highest Bracket)	29.6%	29.6%	29.6%
Tax Payable	(1,480)	(592)	(148)
After Tax Distributions⁵	\$3,520	\$4,408	\$4,852
After Tax Yield	3.5%	4.4%	4.9%
Effective Federal Tax Rate	29.6%	11.8%	3.0%

When the new lower tax rates are combined with an ROC tax shelter, the effective federal tax rate for REITs may be reduced considerably.

This material must be preceded or accompanied by a prospectus for Nuveen Global Cities REIT. This material does not constitute an offer to sell or a solicitation of an offer to buy any security. An offering is made only by a prospectus to individuals who meet minimum suitability requirements. **This sales literature must be read in conjunction with a prospectus in order to understand fully all the implications and risks of the offering of securities to which it relates. A copy of the prospectus**

must be made available to you in connection with this offering. Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of our securities or determined of our prospectus is truthful or complete. Neither the Attorney General of the State of New York nor the Securities Division of the Office of the Maryland Attorney General has passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense.

- 1 Return of capital reduces the stockholder's tax basis in the year the dividend is received, and generally defers taxes on that portion until the capital asset is sold.
- 2 Certain non-cash deductions, such as depreciation and amortization, lower the taxable income for REIT distributions. The 60% ROC scenario reflects the following: straight-line depreciation can account for approximately 50% of a REIT's distributions; assuming a 5% distribution and a 40-year depreciable life, depreciation would amount to 2.5% annually; including additional non-cash deductions we estimate that 60% of distributions would be considered ROC. The illustrative example does not reflect the impact of increasing net operating income ("NOI"); an increasing NOI from higher rents would reduce the amount of ROC. While NOI for commercial real estate has historically increased, past performance is not indicative of future results.
- 3 The illustrative example does not include state taxes. Investors could be subject to state income tax in their state of residence which would lower the after tax yield received by the investor.
- 4 Distributions from Nuveen Global Cities REIT are not guaranteed and may be sourced from non-income items including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources.
- 5 After tax distribution is reflective of the current tax year and does not take into account other taxes that may be owed on an investment in Nuveen Global Cities REIT when the investor redeems their shares. Upon redemption, the investor may be subject to higher capital gains taxes as a result of a depreciating cost basis due to the return of capital portion of distributions.

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

All information is as of 30 Nov 2020, unless otherwise disclosed.

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

Risk factors:

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

- We recently commenced operations and there is no assurance that we will achieve our investment objectives.
- This is a "blind pool" offering and other than the investments described in the prospectus, you will not have the opportunity to evaluate our investments before we make them.
- Since there is no public trading market for shares of our common stock, repurchase of shares by us will likely be the only way to dispose of your shares. Our share repurchase plan provides stockholders with the opportunity to request that we repurchase their shares on a monthly basis, but we are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion. In addition, repurchases are subject to available liquidity and other significant restrictions. Further, our board of directors may modify, suspend or terminate our share repurchase plan if it deems such action to be in our best interest and the best interest of our stockholders. As a result, our shares should be considered as having only limited liquidity and at times may be illiquid.
- The purchase and repurchase price for shares of our common stock is generally based on our prior month's NAV (subject to material changes as described above) and is not based on any public trading market. While there is independent periodic appraisals of our properties, the appraisal of properties is inherently subjective, and our NAV may not accurately reflect the actual price at which our assets could be liquidated on any given day.
- We have no employees and are dependent on Nuveen Real Estate Global Cities Advisors and its affiliates to conduct our operations. Nuveen Real Estate Global Cities Advisors will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among us and Other Nuveen Real Estate Accounts, the allocation of time of investment professionals and the fees that we pay to Nuveen Real Estate Global Cities Advisors.
- We cannot guarantee that we will make distributions, and if we do we may fund such distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources.
- This is a "best efforts" offering. If we are not able to raise a substantial amount of capital in the near term, our ability to achieve our investment objectives could be adversely affected.
- There are limits on the ownership and transferability of our shares.
- If we fail to qualify as a REIT and no relief provisions apply, our NAV and cash available for distribution to our stockholders could materially decrease and we could face a substantial tax liability.
- Our investments in International Affiliated Funds may be subject to currency, inflation or other governmental and regulatory risks specific to the countries in which the Funds operate and own assets.

Contact us

nuveenglobalreit.com

Advisors

800.752.8700

Investors

833.688.3368