

Item 1 – Cover Page

PGIM, Inc.

PGIM Real Estate

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This Brochure provides information about the qualifications and business practices of PGIM Real Estate. If you have any questions about the contents of this Brochure, please contact Matthew Villa, PGIM Real Estate Chief Compliance Officer at (973)734-1453 or by email at matthew.villa@pgim.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

PGIM Real Estate is a business unit of PGIM, Inc. (“PGIM”), which is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. PGIM has elected to create separate Brochures to address each of its different advisory units. This Brochure specifically addresses only the operations of PGIM Real Estate.

Additional information about PGIM Real Estate is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Although we have made changes and updates to our previous brochure dated March 30, 2018, we do not consider any of such changes to be material.

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Item 4 – Advisory Business

PGIM Generally

PGIM Real Estate is the real estate investment advisory unit of PGIM, Inc. (“PGIM”). PGIM is an SEC-registered investment adviser organized as a New Jersey corporation. When we use the terms “we,” “us” and “our” in this brochure, we are referring to PGIM Real Estate. In addition, any references to “our employees” or “our officers” mean PGIM officers or employees who work in PGIM Real Estate.

In addition to PGIM Real Estate, the other units within PGIM are PGIM Fixed Income (an adviser primarily focused on public fixed income investments), PGIM Private Capital also known as Prudential Capital Group (a private fixed income investment adviser), PGIM Investment Advisory & Solutions (a provider of multi-asset class advisory services) and PGIM Real Estate Finance (a private commercial real estate finance group). Each of PGIM Fixed Income, PGIM Private Capital and PGIM Investment Advisory & Solutions has one or more separate brochures that have been filed with the SEC and provide information about the applicable advisory business.

PGIM was formed in June 1984 and was registered with the SEC as an investment adviser in December 1984. PGIM’s predecessor companies began managing fixed income portfolios for affiliates in 1875. PGIM is an indirect, wholly-owned subsidiary of Prudential Financial, Inc., a publicly held company (“Prudential Financial”) (NYSE Ticker: PRU).¹

PGIM Real Estate

PGIM Real Estate is a leading global real estate investment advisor, offering a broad range of investment products and services, primarily to institutional investors, in relation to real estate and real estate debt in the United States, Europe, Asia and Latin America. Headquartered in Madison, New Jersey, PGIM Real Estate has other offices in Atlanta, Chicago, New York, San Francisco, Miami, Frankfurt, London, Luxembourg, Munich, Paris, Mexico City, Hong Kong, Seoul, Singapore, Sydney and Tokyo. As of December 31, 2018, PGIM Real Estate managed approximately \$72.7 billion in gross real estate assets (\$50.8 billion net) on behalf of more than 550 clients worldwide. Of this net amount, approximately \$47.4 billion is managed on a discretionary basis, and \$3.43 billion is managed on a non-discretionary basis.

¹ *Prudential Financial, Inc. is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.*

Through the products and services we offer, we manage private real estate equity and debt investments and publicly traded real estate securities. The real estate investment strategies that we employ for our clients span the risk and return spectrum and we invest on behalf of our clients in both developed and emerging markets.

Our investment products generally comprise open and closed-ended commingled investment funds which may include insurance company separate accounts, limited partnerships, private REITs and other tax-efficient entities that can invest in both direct real estate and entity-level investments in real estate companies through equity or debt structures in the United States and abroad. Those products include:

- PRISA, PRISA II and PRISA III, which are open-ended commingled investment funds that invest respectively in core, core plus and value add real estate in the United States;
- the Prudential Retirement Real Estate Funds, which are open-ended commingled investment funds primarily for the United States defined contribution market that invest in commercial real estate, by investing in the PRISA family of funds and in publicly-traded real estate securities;
- the PGIM Real Estate US Debt Fund which is an open-ended commingled investment fund that invests in core plus real estate debt in the United States;
- the Senior Housing Partners platform which is a series of dedicated, closed-end funds that invest in senior housing in the United States, including independent living, assisted living and memory care facilities; and
- the Impact Value Partners Fund which is a closed-end fund that invests in affordable housing and transformative developments with positive social and environmental impacts in the United States.

We also provide discretionary and non-discretionary investment advisory services to clients both directly, through express contractual relationships, and indirectly pursuant to sub-advisory arrangements with both affiliated and unaffiliated investment advisers. For example:

- We provide investment advisory services to both affiliated and third-party clients in relation to investments in private real estate and real estate debt. The affiliated clients to which we provide such services include, without limitation, The Prudential Insurance Company of America ("PICA") and the Prudential Retirement Insurance and Annuity Company ("PRIAC"), in connection with the investments of their general and separate accounts.

- We manage portfolios of publicly-traded securities of REOCs (Real Estate Operating Companies) and REITs (Real Estate Investment Trusts) globally on behalf of both affiliated and third-party clients either pursuant to a direct contractual arrangement with the underlying investor or through a sub-advisory agreement with the manager of a commingled investment fund such as a US mutual fund or of an investment fund structured as an Undertaking for the Collective Investment of Transferable Securities (UCITS). The provision of such sub-advisory services will be subject to the supervision by the board of directors of the relevant mutual funds or UCITS fund and/or by any external manager of the relevant fund (which may be an affiliate of ours).
- We advise Terrafina, a Mexican real estate investment trust, formed primarily to acquire, own, develop and manage real estate properties in Mexico.

In addition to offering the products and services set out above, we also prepare research, reports and investment papers dealing with investment matters that are distributed to clients, certain prospective clients and affiliates.

Item 5 – Fees and Compensation

Advisory Fees

The fees and other compensation paid or borne by our clients under our various advisory and sub-advisory relationships vary according to a number of factors, including the type of client, the type of investment strategy, the investment amount, our relationship with the client, whether an investment consultant is used by the client and the type of services provided. For example, the fees and other compensation that we receive in respect of services provided to commingled vehicles, including those that we sub-advise, may differ from the fees that we receive for providing services to a single client. Fees and other compensation are generally negotiable, so it is possible for one client to pay a different amount of fees and/or other compensation than another client with similar investment objectives or goals, though clients invested in the same investment fund or vehicle typically pay fees based on the same rate schedule.

Compensation structures may include base management fees, acquisition fees, disposition fees and cash management fees. They may also include incentive or performance-based compensation (also referred to as promote and carried interest) which can take the form of fees, dividends or other forms of distributions or interest payments. Our base management fees for investments in funds that we manage are

customarily offered in tiered schedules with breakpoints linked to the amount of assets in the fund, so that the fee rate paid by a client decreases as the client's assets under management increase. In circumstances where a single client or investor consultant has multiple accounts managed by us, we may agree with such client or consultant to aggregate the client's assets within those accounts to enable the client or the consultant's clients to benefit from a lower fee tier.

Our performance-based compensation arrangements are structured to comply with Rule 205-3 under the Investment Advisers Act of 1940 and our internal policies. Fees and other compensation paid by clients that pay performance-based compensation may be higher than those paid by clients who do not, due to the fact that performance-based compensation may increase based on the performance of a portfolio above an established benchmark.

Payment of Fees and Other Compensation

Depending on the client's preference or the structure of the compensation, we either bill a client for our fees or deduct fees from the client's account. Base management fees are typically payable quarterly in arrears. Performance-based fees and compensation are only paid after the applicable performance has been achieved and the related fee or other compensation is due.

We do not require or solicit clients to pay advisory fees in advance. If a client were to pay advisory fees in advance and the client's advisory contract were to terminate before the end of a billing period, any prepaid fees would be refunded on a pro-rata basis.

Compensation of Our Investment Professionals

Generally speaking, except for carried interest payments, the compensation of our investment professionals (including, among others, portfolio managers and research analysts) includes a combination of base salary, a performance-based annual cash incentive bonus, and a long-term incentive grant. The base salary component is based on market data relative to similar positions within the industry as well as the past performance, experience, and responsibility of the individual, and the annual cash incentive bonus is paid from an annual incentive pool. Each investment professional's incentive compensation, including both the annual cash incentive bonus and the long-term incentive grant, is primarily determined by how significantly he or she has contributed to delivering investment performance to clients consistent with relevant objectives, guidelines, and risk parameters, as well as the individual's qualitative contributions to the organization. Our incentive compensation program is designed to align the interests of each investment

professional with those of our clients. The performance of our clients' accounts, of our overall business, and of the individual employee are all important factors in determining the size of the annual cash incentive bonus and long-term incentive grant awarded to each individual. Total compensation is designed to be competitive with the market, but an individual's actual compensation may vary. Investment professionals are all covered by the same general compensation structure, although they may manage multiple accounts. Generally, all compensation is paid by PGIM Real Estate, not from any assets of managed accounts. As an exception to that general rule, a portion of the performance-based fees and other compensation that we earn is typically shared with relevant investment professionals and members of senior management and any such amounts will be paid to the individuals concerned directly or indirectly by the relevant client.

The head of PGIM Real Estate and certain senior members of the management team also receive (i) performance shares which represent the right to receive shares of Prudential Financial common stock conditioned upon, and subject to, the achievement of specified financial performance goals by Prudential Financial, (ii) book value units which track the book value per share of Prudential Financial and (iii) Prudential Financial Stock options. Each of the long-term incentive plan grants, performance shares, book value units and stock options is subject to vesting requirements.

Operating Expenses

The funds and products that we manage or advise, and therefore the investors in those funds and products, may also be generally responsible for operating expenses which are outlined in each fund's private placement memorandum or other offering documents and might include some of the following: (i) fees, costs and expenses relating to the operation of the fund or product, including those of accountants, auditors, appraisal management firms, lawyers and other third party service providers engaged to provide services to or in respect of the fund or product; (ii) fee, costs and expenses relating to the acquisition, ownership and disposition of investments, including fees, costs and expenses related to holding, leasing, financing, refinancing, development, due diligence, property management, repairs, improvements, asset monitoring, insurance, consulting, engineering, environmental inspection, indemnification, evaluation, negotiation, structuring, appraising, dead deal costs, structural and environmental studies, investment banking, reporting, projections, valuation, tax and accounting expenses and other similar fees, costs and expenses of the general partner, fund manager or third parties engaged to perform such functions; (iii) brokerage commissions, transfer agent expenses, custodial expenses and other fees, costs and expenses incurred in connection with investments; (iv) principal, interest on and fees and expenses arising out of all

borrowings made by the fund or product; (v) fees, costs and expenses related to offering and sale of units or other interests in the fund or product (including legal fees, travel expenses and the costs and expenses incurred in preparing and periodically updating a private placement memorandum or equivalent document and/or in obtaining tax and legal opinions); and (vi) all fees, costs and expenses incurred in the formation and maintenance of the fund or product and of related entities including travel, accommodation and other out of pocket expenses, legal and accounting expenses, filing fees and expenses, printing costs, and other similar amounts. Such fees, costs and expenses may include amounts incurred by us and which are then reimbursed to us by the relevant fund or other client.

In addition, certain fund agreements may provide for reimbursement of PGIM Real Estate's out-of-pocket expenses in connection with the formation and/or investment activities of the relevant fund, including but not limited to, investment advisory services or reporting performed by third-party vendors at our direction and under our supervision.

Operating and Joint Venture Partners Expenses

Operating and/or joint venture partners investing in assets in conjunction with a client, or assisting with the sourcing, management and/or disposition of investments for a client, may receive management fees, acquisition fees, disposition fees and/or incentive fees or other compensation for their services as a means to further align the interests of those partners with the relevant clients. Such fees are typically paid as an operating expense by the relevant client.

Item 6 – Performance-Based Fees and Side-By-Side Management

As noted in Item 5 above, for certain of the funds that we manage and clients that we advise, we earn performance-based fees and compensation. We believe that any conflict of interest created by performance-based fees and compensation is addressed by our policies and procedures, including those relating to the allocation process of private real estate investment opportunities and of aggregated orders of publicly traded real estate securities, which are designed to ensure a fair and equitable allocation between the relevant clients managed or advised by us.

Allocation Process for Private Real Estate Investments

Separate queues of clients are maintained by geographic region and, where relevant, investment profile. New clients are initially placed in the last position of the relevant queue(s). Subject to any priority allocation rights that may exist, each investment opportunity is offered to the clients in the relevant queue in the order in

which they sit in that queue at the relevant time. Once a deal is taken up by the relevant portfolio manager and allocated to a client, the client is moved to the bottom of the relevant queue. Portfolio managers represent their clients' interests and only deals selected by a portfolio manager are allocated to the relevant client.

Priority Allocation Rights

As noted above, we may agree to allocate certain types of investments sourced by us in priority to a particular client, in which case relevant investments would only be offered to other clients in the relevant queue once the portfolio manager for the client with the priority allocation right had turned down the relevant investment opportunity. Such priority allocation rights are typically only agreed to in relation to more specialized investment types (such as senior housing or impact investing) and/or where we are satisfied that the granting of such rights will not adversely impact our ability to identify and allocate relevant investments to other clients for whom such investments would be suitable. We disclose in advance any such priority allocation rights to new clients from whom we subsequently secure mandates in respect of the relevant type of investment.

Overlapping Equity and Debt Investment Opportunities

If a private real estate investment opportunity is identified which involves both an equity investment and a debt investment that, in each case, would be suitable for one or more portfolios that we manage, the conflict of interest would be escalated to determine whether we will pursue the equity investment opportunity and/or the debt investment opportunity. Where we did decide to pursue both investment opportunities on behalf of separate clients, we would establish separate teams to work on each of the equity and the debt investment opportunities and would establish an information barrier between the two teams.

Allocation of Aggregated Orders of Publicly Traded Real Estate Securities

When we place an aggregated order in respect of a particular security on behalf of more than one client, they are typically allocated pro-rata, subject to account restrictions or guidelines or based on the relative size of the relevant client portfolios. Under such pro-rata allocation, each client pays the average unit price and bears its pro-rata share of transaction costs.

Deviations from a pro-rata allocation may be made on the basis of certain specified conditions including if (i) an allocation would cause a client to receive an odd lot or “de minimis” amount, (ii) the portfolio manager determines that the relevant client portfolio’s cash flow does not support an allocation, (iii) a client portfolio has a specialized investment mandate or style, or specific investment restrictions, (iv) a client has unique tax considerations, (v) positions for multiple clients need to be balanced or (vi) clients are excluded due to client directive or regulatory requirements. Any allocation that is not pro-rata must still be consistent with fair and equitable treatment of all clients and is approved by the portfolio manager signing off on the allocation rationale as soon as possible and typically not later than the opening of the applicable securities market on the following trading day. In addition, any allocation rationale is memorialized in writing and is retained consistent with our record-keeping requirements.

Item 7 – Types of Clients

Our client and investor base is composed of many different types of institutions and accredited investors, including but not limited to corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, banks, foundations, endowments, state and municipal plans, registered mutual funds, private investment funds, insurance company general and separate accounts, trust programs, sovereign funds, Mexican real estate investment trusts (or FIBRAs), Mexican pension funds (or Afores), Undertakings For The Collective Investment of Transferable Securities (UCITs), Societes d’Investissement a Capital Variable (SICAVs) and High Net Worth investors. We provide our services to both affiliated and non-affiliated clients. Our minimum account size varies by product. Generally, single client accounts have higher minimum amounts than investments in commingled vehicles.

Item 8 – Methods of Analysis, Investment Strategies and Risks of Investing/Loss

A. Methods of Analysis

In order to identify potential acquisitions for our private real estate portfolios, portfolio managers communicate the investment needs of each portfolio to the transactions team on a regular basis. This includes detailing preferences for property type, location, risk/reward expectations, deal size and structure. The

transactions team then compare these needs with available investment opportunities and allocate their time and resources to potential transactions that will satisfy the portfolios' investment appetites.

PGIM Real Estate's transactions team is responsible for building a pipeline of investment opportunities for presentation to the portfolio managers, utilizing a regionalized network of transaction teams to provide broad, geographic coverage. Additionally, the transactions team's long-standing relationships with owners and developers gives us access to a variety of deals which are not widely marketed.

PGIM Real Estate has a global investment committee that reviews private real estate investments that satisfy certain materiality and other criteria, four regional investment committees that review investments in the United States, Europe, Asia, and Latin America, respectively, an investment committee that reviews private debt investments in the United States and an investment committee that reviews investments by our PRREF funds.

While none of our investment committees are responsible for the day-to-day decisions with respect to specific investments made by or on behalf of the accounts that we manage, the acquisition or disposition of a private real estate investment by an account is reviewed and approved by the appropriate investment committee, or a subcommittee thereof, or by the portfolio manager of the affected account under delegated authority. For those accounts that are non-discretionary, review by the investment committee, subcommittee or portfolio occurs prior to seeking consent from the relevant client. The suitability of an acquisition for, or appropriateness of, a sale by an account is confirmed as part of the approval process, taking into account the investment guidelines, restrictions and other requirements of the particular account. Investment guidelines are reviewed and approved for each account at the time of formation by the applicable risk and product approval committees.

Our investment process in respect of publicly traded real estate securities employs a top-down, bottom-up value-oriented approach based upon real estate fundamentals. We emphasize both quantitative and qualitative investment analysis and adhere to a disciplined, research-intensive approach. We focus on valuation relative to the company's underlying real estate assets (NAV) as well as the company's on-going concern valuation. Through detailed company research that includes regular management visits, property tours and financial analysis, we analyze the quality and sustainability of real estate asset cash flows and growth of company dividends. We also evaluate the company's strategy and its management's track record and incentives.

In addition, the investment committee for our GRES business establishes geographic portfolio allocations among Europe, Asia and North America, approves risk characteristics and parameters for each portfolio, and reviews geographic allocations, risk characteristics and parameters of each portfolio on a regular basis. Authority is then delegated to the GRES team to manage the portfolios on a day-to-day basis in accordance with the applicable prospectus or investment guidelines.

B. Investment Strategies

PGIM Real Estate offers its global client base a broad range of real estate equity, debt and securities investment strategies that span the capital stack and risk spectrum from Core to Core Plus and Value Add to Opportunistic.

We have set forth below some of what we believe are the key characteristics of investments within each of those categories.

More detailed summaries of the investment strategies of specific funds and products are described in the private placement memorandum or other offering documents for those funds or products.

Core

Core investment strategies target the major property types (office, logistics, storage, and multi-family) to provide investors with stabilized income from credit quality tenants on longer term leases.

Core real estate strategies focus on ensuring the sustainable income from properties over time and include assets undergoing minor renovation or expansion where there is a relatively low impact on the property's occupancy or operation.

Core real estate debt strategies also fund real estate strategies that offer stabilized, income providing senior mortgages based on the conservative credit profiles in terms of loan-to-value, debt service coverage, sponsor quality and strength.

Core Plus

Core plus investment strategies target higher income-focused returns for investors. Core Plus real estate strategies identify opportunities to increase net operating income over time and will likely include elements of light income transition. For instance, upcoming lease expiries provide an opportunity to increase rents.

Core Plus real estate debt strategies provide enhanced income from funding stabilized and light transitional real estate and typically feature an elevated credit profile as compared to Core real estate debt investments and/or some element of subordination, for instance when providing junior loans.

Value Add

Value Add investment strategies target higher total returns, typically with a greater element of capital growth.

Value Add real estate investments seek to meet under-served market needs through asset transition strategies such as lease-up, renovation or development. Strategies may target emerging property types or markets where significant new demand is anticipated and employ highest leverage to enhance investor returns.

Value Add real estate debt strategies fund similar real estate strategies while offering downside collateral protection with preferred returns that are structured in priority to sponsor equity. Typical investment structures include mezzanine, junior debt or preferred capital investments that may include some element of upside participation through loan fees or equity co-investment.

Opportunistic

Opportunistic investment strategies target capital growth and move even further up the risk spectrum with the anticipation of even greater returns.

Opportunistic strategies typically target specific market niches and may focus on recovering, developing or emerging markets and include investments in speculative developments, private real estate companies or other investment opportunities such as non-performing loan portfolios. Significant leverage may also be employed for such strategies to enhance returns.

Public Real Estate Securities

PGIM Real Estate's Global Real Estate Securities investment strategies combine top-down fundamental company research with bottom-up stock selection and a focus on risk management.

Investment strategies are determined based on income and capital appreciation objectives and typically invest in real estate investment trusts (REITs) or real estate operating companies (REOCs) that may pursue a combination of the investment strategies identified above.

C. Risks of Investing and Loss

Set forth below are some of the primary risks that we believe are representative of those involved in commercial real estate equity, debt and securities and/or risks of engaging PGIM Real Estate to manage or advise on those investments. A more detailed discussion of the specific risks associated with investing in a particular

product offered by us may be found in the offering documents for such product, which is available upon request.

Risk of Loss

Any investor contemplating direct or indirect investment in real estate, real estate debt or real estate securities must recognize that such investments are not guaranteed and involve potentially significant risk of loss, which the investor must be prepared to bear. An investor in a particular investment or portfolio of investments may not achieve its investment objective or even receive any return on its investment. Performance may be volatile, and an investor may lose its entire investment. Past performance and activities provide no assurance of future results. In addition, fees and expenses may reduce investment returns.

General Market Risk and Risks Related to General Economic Conditions

The financial performance of an investment may be adversely affected by general national and international economic conditions and factors, by conditions within one or more real estate markets and/or by other factors such as natural disasters, terrorism, acts of war, and uninsurable losses. Interconnectivity of global markets and economies increases the likelihood that events in one market or economy may adversely impact other markets and/or economies.

Risks Related to Reliance on Partners and Other Third Parties

Investments may be made through joint venture or other co-investment arrangements, the results of which may be highly dependent on the credit, acumen and behavior of the relevant partners and/or other entities or individuals that they may retain, such as a property managers, construction managers and/or general contractors. If the applicable venture or management arrangements are terminated for any reason, or if key personnel leave or otherwise become unavailable, it may be difficult to find a suitable replacement.

Risks Related to Reliance on PGIM Real Estate Professionals

The success of investments may depend, in substantial part, upon the skill and expertise of certain PGIM Real Estate professionals. The death, disability or departure of a key PGIM Real Estate professional may adversely affect the performance of investments that we manage or advise. In addition, certain associates may have greater demands on their time, especially at senior levels, and therefore may not be able to spend as much time focusing on the specific portfolios they are responsible for.

Risks Related to Competitive Markets

Competition for investment opportunities can be high, and such competition may limit the ability to acquire desirable target assets, affect the underwriting or pricing of assets and/or adversely impact investment returns.

Risks Related to Real Estate Investments Generally

The value of commercial real estate investment is typically dependent upon the ability of the underlying real estate to produce cash flow (or at least its potential to generate cash flow). However, net operating income and cash flow from a real estate investment can be volatile and the net operating income, cash flow and value of an individual property may be adversely affected by any number of factors, including, without limitation:

- the age, design and construction quality of the property;
- perceptions regarding the safety, convenience and attractiveness of the property;
- the proximity and attractiveness of competing properties;
- the adequacy and effectiveness of the property's operations, management and maintenance;
- increases in operating expenses at the property and in relation to competing properties;
- an increase in the capital expenditures needed to maintain the property or make improvements;
- costs associated with environmental liabilities or other legal liabilities;
- the dependence upon a single tenant, or a concentration of tenants in a particular business or industry;
- a decline in the financial condition of a major tenant;
- an increase in vacancy rates;
- a decline in rental rates as leases are renewed or entered with new tenants; and
- development and/or construction risk such as, entitlements or other permissions to build not being obtained, and/or the development or

construction not being completed on time, within budget, and/or in accordance with plans and specifications.

Other more general factors that can adversely impact the value of a real estate investment include:

- national, regional or local economic conditions;
- local real estate conditions (such as an oversupply of competing properties, rental space or multifamily housing);
- demographic factors;
- decreases in consumer confidence;
- changes in prices for key commodities or products;
- changes in consumer tastes and preferences, including the effects of adverse publicity;
- retroactive changes in building codes, or other changes in governmental regulations, fiscal policy, zoning or tax laws;
- force majeure acts, terrorist events, natural disasters, climate change, and other factors which are beyond our reasonable control; and
- cyber-attacks including, for example, malware, ransomware or theft of sensitive data.

The volatility of the net operating income of a property will be influenced by many of the foregoing factors, as well as by:

- the length of tenant leases;
- the creditworthiness of tenants;
- the level of tenant defaults;
- rent control laws, affordable housing mandates or other laws impacting operating costs;
- the number and diversification of tenants;
- the availability of trained labor necessary for tenant operations;
- the availability of financing;
- changes in interest rate levels;

- the rate at which new rentals occur;
- the property's operating leverage;
- the ratio of fixed operating expenses to those that vary with revenues; and
- the level of capital expenditures required to maintain the property and to retain or replace tenants.

A decline in the relevant real estate market or in the financial condition of a major tenant will tend to have a more immediate effect on the net operating income of a property with short-term revenue sources (such as a hotel or other property with short-term or month-to-month leases) and may lead to higher rates of delinquency or defaults under mortgage loans secured by such a property.

Newly constructed and/or recently opened properties have a limited operating history. There can be no assurance that a property, whether newly constructed and/or recently opened or otherwise, will perform as anticipated.

Risks related to Portfolio Concentrations

A real estate investment portfolio that is concentrated in a particular country, region, market, industry sector or asset class could be more susceptible to loss due to adverse occurrences the relevant country, region, market, sector or asset class than a more diversified real estate investment portfolio. For example, properties located in California may be more susceptible to certain hazards (such as earthquakes or widespread fires) than properties in other parts of the country and properties located in certain coastal states generally may be more susceptible to hurricanes than properties in other parts of the country.

Operational Risk

Portfolios can suffer losses arising from shortcomings or failures in operational processes, procedures, and/or systems.

Valuation Risk

Valuation of real estate and real estate debt is subject to numerous assumptions and is not a precise measure of realizable value. The value of a portfolio as of a particular date may be materially greater than or less than the value that would be determined if a portfolio's investments were to be liquidated as of such date. Volatile market conditions or illiquidity of real estate investments could result in liquidation values that are materially less than the values of such assets as reflected in a portfolio.

Risks related to Debt Investments

- Risk related to borrower default: Debt investments are typically secured by or supported by the cash flows from commercial property. As there is generally very limited recourse against the borrower's or sponsor's assets other than the underlying collateral, the ability of a borrower to repay a loan typically is dependent primarily upon the successful operation of the related income-producing property, rather than upon the existence of independent income or assets of the borrower. If the net operating income of the related property is reduced, the borrower's ability to repay the loan may be impaired.
- Risk of Decline in Value of Collateral: In addition, there is a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage or other loan. Some mezzanine loans may restrict transfers of the equity interests securing such loans, or such transfer or foreclosure may require the consent of a senior lender or equity holders in the related real estate company. These remedial limitations may adversely affect the likelihood of repayment of the mezzanine loan in the event of a default.

Risks related to Real Estate Equity Securities

Investments in publicly-traded real estate equity securities may be more volatile than other forms of real estate investment. Prices of equity securities may increase or decrease because of changes in the markets more broadly or specifically because of changes in a company's financial condition, sometimes unpredictably. The value of real estate equity securities often is subject to the same risks as direct investments in real estate and their value may be influenced by factors including the value of the underlying properties or underlying loans. The value of real estate equity securities may rise or fall in response to many factors including economic conditions, demand for rental property, interest rates and creditworthiness of the issuer. The values of equity securities may decline when interest rates rise or could also be affected by the underlying properties. Real estate equity securities may be more illiquid than other equity securities.

Risks Related to Use of Leverage

We may incur leverage at a fund or portfolio level, subject to specified constraints and certain funds and clients may also leverage individual assets. Incurring substantial debt could subject the relevant investments to a number of risks, including the risks that:

- portfolio or property cash flow may be insufficient to make required payments of principal of and interest on the debt;
- the borrowing entity may be unable to comply with all the material covenants imposed by the lender;
- such debt may increase the relevant portfolio's or investment's vulnerability to adverse economic and industry conditions;
- a substantial portion of the portfolio's or property's cash flow to payments on debt, thereby reducing funds available for property operations, investor distributions or other purposes; and
- the borrower may be unable to refinance debt that matures on favorable terms, or at all.

Defaults under such financing could lead to (i) acceleration of such debt (and under any other debt facility containing a related cross-default or cross-acceleration provision), (ii) an inability to borrow unused amounts under other financing arrangements, (iii) the loss of some or all of the relevant fund's or other client's investments to foreclosure or sale, and/or (iv) one or more lenders being unwilling or unable to provide the relevant fund or client with financing.

In addition, if regulatory capital requirements imposed on a lender changes, they may be required to limit, or increase the cost of, financing they provide. In general, this could potentially increase financing costs and reduce available capital, thereby affecting decisions to buy, hold or sell a specific investment.

To the extent that floating rate financing is employed, changes in interest rates, particularly short-term interest rates, may immediately and significantly decrease the results of property operations and cash flows and the market value of relevant investments.

These financing arrangements may involve the risk that the market value of the properties may decline in value, or other loan covenants may be breached, in which case the lender may require the borrower to provide additional collateral or to repay all or a portion of the funds advanced. The borrower may not have the funds available to repay or pay down the debt at that time, which could lead to a default.

Risks Related to Foreign Investments

With any investment outside the United States, there exist certain economic, political and social risks that might not be found in a similar investment in the U.S. Investments are generally denominated in the currency of the jurisdiction where the

investments are located and thus are subject to fluctuation in currency exchange which can affect the value of the assets. In addition, laws, regulations and conditions in foreign countries may impose restrictions or risks that would not exist in the United States and may require financing and structuring alternatives which differ from those customarily used in the United States. Foreign countries may also impose taxes on the funds and their investors which differ from those imposed in the US.

Risks Related to Financial Regulatory Reform (including Foreign Financial Regulatory Reform)

Laws and regulations affecting our business change from time to time. We cannot predict the effects, if any, of future legal and regulatory changes, both in the United States and in other jurisdictions, on our business or the services we provide.

Risks Related to Brexit

On June 23, 2016, the UK held a referendum with respect to its continued membership in the European Union (“EU”) (the UK/EU Referendum). The result of the UK/EU Referendum was a vote in favor of the UK leaving the EU. At present, it remains unclear exactly when and on what terms the UK will leave the EU or what the nature and content of the UK’s relationship with the EU will be after it has left the EU. However, the UK’s departure from the EU (which is referred to as Brexit) may pose certain risks to our business. In particular, a passporting regime currently allows regulated entities licensed or authorized in the UK and each other EEA country) to operate on a cross-border basis in other EEA countries without the need for a separate license of authorization. There can be no assurance that the terms of Brexit will include arrangements for the continuation of the existing passporting regime or of mutual access rights to market infrastructure. Our affiliate, PGIM Limited, currently relies on these passporting rights to conduct investment business in the EU. In the case of a hard Brexit where the UK becomes a “third country” and there is no transition period, PGIM Limited would no longer have these passporting rights. We are implementing contingency plans to address the potential impacts of Brexit (including a potential hard Brexit) but, notwithstanding, those measures, our ability to market and provide investment services in the EU may be adversely affected by Brexit.

Risks Related to Technology and Cyber Security

Investment advisers, including PGIM, must rely in part on digital and network technologies to conduct their businesses and to maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by us as well as those owned or managed by others, such as custodians,

financial intermediaries, transfer agents, and other parties to which we or they outsource the provision of services or business operations.

Like all businesses that use computerized data, we and our affiliates and the systems we use could be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers mounting an attack on computer systems. We and our affiliates have implemented and maintain an information technology security policy and program that includes certain technical and physical safeguards intended to protect the integrity, availability and confidentiality of the data we have and the systems that store it and take other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction.

Nevertheless, despite reasonable precautions, cybersecurity incidents could occur, and might in some circumstances result in unauthorized access to sensitive information about us or our clients. In addition, such incidents might cause damage to client accounts, data or systems or affect client services.

Furthermore, these systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or others' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that would be material to an evaluation of us or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

As an indirect wholly owned subsidiary of Prudential Financial, we are part of a diversified, global financial services organization. We are affiliated with many types of financial service providers, including broker-dealers, insurance companies and other investment advisers. Some of our officers and employees are officers of some of these affiliates.

Our Broker-Dealer Affiliations

Certain of our management persons and other employees are registered with the Financial Industry Regulatory Association (FINRA) as representatives and principals of Prudential Investment Management Services, LLC ("PIMS"), our affiliate and a SEC-registered broker-dealer. These employees may engage in marketing efforts in such capacities related to the commingled vehicles that we offer and may receive transaction-based compensation for such efforts or where permitted by law, compensation, in the form of bonuses and long-term compensation that may be based directly or indirectly on the additional revenues generated from new or existing relationships.

PIMS provides broker-dealer services for PGIM Real Estate and marketing support for certain PGIM Real Estate products. We do not use PIMS as a broker for securities trading activity on behalf of our client accounts.

Our Investment Advisor Affiliations

We serve as subadvisor to mutual funds managed or co-managed by our affiliate PGIM Investments LLC. Other affiliated investment advisors that we may, from time to time, provide investment advisory and ancillary services to or receive services from include QMA, LLC, PGIM Limited, PGIM Fund Management Limited and PGIM Real Estate Luxembourg SA. We also have service agreements with some of these affiliates under which we may perform or receive services. PGIM Limited, for example, assists with marketing and management of funds we manage or advise.

Our Insurance Company Affiliations

As further described in Item 4, we provide investment advisory services to PICA and PRIAC, our affiliated insurance companies, in connection with the investment of their general and separate accounts. Certain of these separate accounts are investment options under the Prudential Employee Savings Plan. In addition, we provide management services with respect to assets of certain benefit and welfare plans sponsored by PICA.

To address the potential conflict of interest as to the allocation of investment opportunities between our affiliated entities and our other clients, we have adopted several procedures, including those described in more detail in Item 6, that are intended to ensure that all client accounts are treated fairly and equitably.

Our Participating Affiliates Relationships

Within the guidance set forth under applicable law, relevant no-action letter(s) and related SEC guidance, SEC-registered investment advisers are permitted to access,

under prescribed conditions, the services of unregistered affiliates (“Participating Affiliates”). We have arrangements whereby the following Participating Affiliates provide services to us in connection with our management and marketing of certain funds and client investments.

- PLA Services Manager Mexico, LLC
- PGIM (Singapore) Pte. Ltd

Potential Conflicts Relating to Our Relationships with Affiliates

From time to time, various potential and actual conflicts of interest arise from the overall investment activities of PGIM Real Estate, including the activities between us and our affiliates. PGIM Real Estate has entered into and may in the future enter into arrangements with affiliates to perform various administrative, back-office, and other services on behalf of, and relating to, funds and other client accounts. While we have adopted and follow numerous standards, policies and procedures designed to ensure that clients are not harmed by potential or actual conflicts of interests, all as further described in this brochure. We cannot guarantee that such standards, policies and procedures will detect and ensure avoidance, disclosure or mitigation of each and every situation in which a conflict may arise.

The following briefly summarizes some of the potential conflicts arising from activities with our affiliates. It is not meant to be an exhaustive list, and investors should consult applicable offering documents for a more complete listing of applicable conflicts.

- *Marketing or Support Activities for Investments of Our Affiliates*

Now or in the future, we may engage in marketing or support activities for or on behalf of investments offered by other affiliates. In the event an investor sourced by PGIM Real Estate enters into an investment relationship with another affiliate, PGIM Real Estate may be compensated for its efforts either by participating in the fees paid to the other affiliate by the affected investor, or in such other manner as the parties agree.

- *Affiliated Officers in Companies we Invest*

Certain of our affiliates (as well as directors or officers of our affiliates) are officers or directors of issuers in which we currently invest or could invest in the future and/or engage as a service provider from time to time. Our affiliates may also invest in or engage these issuers as service providers.

- *Affiliated Servicer*

Prudential Asset Resources, Inc. ("PAR") has been engaged, and may in the future be engaged, to carry out loan servicing in respect of private real estate loans made by clients that we manage or advise.

In order to manage the conflicts involved in the use of affiliated service providers such as PAR, we will ensure that there is appropriate disclosure in writing to the relevant client and underlying investors and that the fees or other amounts to be paid to the affiliated service provider are comparable to those generally available in the market from unaffiliated service providers.

Item 11 – Code of Ethics

Code of Ethics - General

We maintain a code of ethics as required by applicable SEC rules. Our code of ethics requires employees to conduct business in an honest and forthright manner in accordance with the highest of ethical standards. In addition, the code of ethics requires employees to put client interests ahead of our own and disclose actual and potential meaningful conflicts of interest. The code of ethics incorporates Prudential's information barrier and personal securities trading policies that are described in greater detail below. Our employees are required to report any violation of the code of ethics promptly to our Chief Compliance Officer. We will provide a copy of our code of ethics to clients or prospective clients upon request.

Information Barrier Standards

Prudential's information barrier standards are designed to prevent the communication of material, non-public information across the various PGIM asset management investment sectors. They also restrict physical access to an investment sector's offices by employees of a different investment sector. We maintain a restricted list of issuers about which we have material, non-public information, and our policies prohibit us from trading, either for client or personal accounts, in the securities of such issuers. Our receipt of material, non-public information most often occurs because we at times engage in real estate and other transactions with publicly traded real estate investment trusts (REITs) and real estate operating companies (REOCs) and may obtain material, non-public information about these public issuers. In an effort to avoid such restrictions on trading, we have procedures in place to carefully consider whether to intentionally accept material, non-public information with respect to certain issuers, where appropriate.

In addition, due to our involvement in managing or advising on portfolios of publicly traded real estate securities, PGIM Real Estate maintains an information barrier between the personnel involved in advising on or managing those portfolios and those personnel that manage or advise on private real estate investments. This permits PGIM Real Estate's private-side business to engage in real estate transactions with issuers of publicly traded real estate securities that might otherwise restrict our Global Real Estate Securities (GRES) team from investing in those securities for relevant clients if no barrier were to exist. All communications and access restrictions outlined in Prudential's information barrier standards apply to the barrier between our GRES team and the private-side of our business.

Furthermore, in some instances where we deem it appropriate, we may create an "isolated information barrier" around a small number of employees who may come into possession of material, non-public information about an issuer, so that their knowledge is not attributed to other employees.

Personal Securities Trading Standards

We maintain personal securities trading standards that govern the trading activities of our employees as well as their household members and dependents. Subject to certain limited exceptions, employees are required by those standards to:

- report personal securities transactions to our corporate compliance unit;
- pre-clear personal securities transactions;
- maintain brokerage accounts only with certain approved brokers that report transaction information to our corporate compliance unit; and
- annually report securities holdings to our corporate compliance unit.

Our access persons (defined as associates who work in or support portfolio management activities, have access to non-public investment advisory client trading information or recommendations or have access to non-public portfolio holdings of mutual funds) and investment personnel (defined as access persons who are public-side portfolio managers, analysts, traders, or certain other individuals as designated by the compliance officer) are subject to additional restrictions under the standards, including the following:

- investment personnel are generally prohibited from purchasing securities in initial public offerings;

- investment personnel are prohibited from trading any security within seven days before or after we trade such security (or an equivalent security) for client accounts (other than in client accounts that replicate a broad-based index);
- investment personnel who invest in proprietary and certain non-proprietary mutual funds must hold such investments for a period of at least 60 days subject to certain exceptions
- access persons may not knowingly trade any security on the same day that we trade such security (or an equivalent security) for client accounts (other than in client accounts that replicate a broad-based index); and
- access persons may not write naked call options or buy naked put options on a security held in a client account.

Furthermore, where employees of PGIM or its affiliates can invest in PGIM Real Estate advised funds, policies and procedures are in place to ensure that such employees are not given an advantage over non-employee investors.

We evaluate personal trading activity versus firm trading and restricted list content and any matches are investigated by our compliance unit. An ethics committee meets regularly to consider possible violations and take disciplinary action where appropriate.

All employees receive annual training, either web based or otherwise, regarding our personal securities trading and information barrier policies. In addition, employees must annually confirm that they have read and understand our code of ethics, including the personal securities trading and information barrier policies.

Gift & Entertainment Policy

Our employees may occasionally give or receive gifts, meals or entertainment of moderate value, subject to compliance with applicable laws and regulations and rules of self-regulatory organizations. Prudential has adopted a gift and entertainment policy to address the related conflicts of interest, such as the appearance of having given or received something of value that influenced our business decisions or the business decisions of our clients. The policy requires the reporting and preclearance of gifts, meals and entertainment given or received which exceed certain thresholds, with additional procedures in place to ensure compliance with (i) the Employee Retirement Income Security Act (“ERISA”) regulations, (ii) the Foreign Corrupt Practices Act (“FCPA”), and (iii) rules related to

employees of local, state or federal governments. In addition, our employees are prohibited from soliciting the receipt of gifts, meals or entertainment. Senior management periodically reviews summaries of gifts and entertainment activity to detect trends of abuse, conflicts of interest, or possible violations of the policy.

Political Contributions

Due to the potential for conflicts of interest, PGIM has established policies and procedures relating to political contributions that are designed to comply with applicable federal, state and local law. Under these policies and procedures, all employees (including spouses and dependent children) must obtain preapproval before making any political contributions.

Conflicts of Interest

As a result of the broad range of both our business and the businesses of our affiliates, conflicts of interest arise in our operations. We have described below significant conflicts of interest and have organized the discussion under headings for ease of reading only. Conflicts described under one heading could appear or be repeated under one or more other headings below. We do not intend for the headings to limit the applicability of the conflict to matters described under other headings or to other parts of our business.

We have adopted and follow numerous standards, policies and procedures designed to ensure that clients are not harmed by potential or actual conflicts of interests, all as further described in this brochure, we cannot guarantee that such standards, policies and procedures will detect and ensure avoidance, disclosure or mitigation of each and every situation in which a conflict may arise.

Conflicts Related to Outside Business Activities

From time to time, certain of our employees or officers may engage in outside business activities, including outside directorships. All outside business activities are subject to prior approval pursuant to our personal conflicts of interest and outside business activities policy. Actual and potential conflicts of interest are analyzed during such approval process. We could be restricted in trading the securities of certain issuers in client portfolios in the unlikely event that an employee or officer, as a result of an outside business activity, obtains material, non-public information regarding an issuer.

Conflicts Arising from Our Affiliations and Portfolio Management Responsibilities

PGIM Real Estate is a unit of PGIM, an indirect, wholly-owned subsidiary of Prudential Financial and is part of a full-scale global financial services organization, affiliated with insurance companies, other investment advisers and broker-dealers. Our portfolio managers are often responsible for managing multiple accounts, including accounts of affiliates, institutional accounts, mutual funds, insurance company separate accounts, non-discretionary model portfolios and various pooled investment vehicles, such as commingled trust funds and other unregistered funds.

Legal, regulatory and contractual restrictions may limit how much, if any, of a particular investment we may purchase or sell on behalf of a client, and the timing of our purchase or sale. Such restrictions may arise as a result of our relationship with Prudential Financial and its other affiliates. We may be prohibited from engaging in transactions with our affiliates even when such transactions could be beneficial for client accounts. Certain affiliated transactions are permitted in accordance with procedures we have adopted.

Certain of our affiliates develop and may publish credit research that is independent from the research that we develop and publish. We may hold different opinions on the investment merits of a given property, security, issuer or industry such that we may be purchasing or holding an investment for a client when an affiliated entity may be selling or recommending a sale of the same or a similar investment. Conversely, we may be selling an investment for a client when an affiliated entity may be purchasing or recommending a buy of the same or a similar investment. In addition, an affiliated broker-dealer or investment adviser may be executing transactions in the market in the same publicly traded real estate securities as we are.

It is our policy not to engage in principal transactions with affiliated broker-dealers for unaffiliated institutional accounts that we manage. We may cause transactions to be executed for a client's account concurrently with authorizations to purchase or sell the same publicly traded real estate securities for other accounts we manage, including proprietary accounts or accounts of affiliates. In these instances, the executions of purchases or sales, where possible, are allocated equitably among the various accounts.

We may buy or sell or may direct or recommend that one client buy or sell, investments of the same kind or class that are purchased or sold for another client, at prices which may be different. In addition, we may, at any time, execute trades of publicly traded real estate securities of the same kind or class in one direction for an account and trade in the opposite direction or not trade for any other account due to differences in investment strategy or client direction.

Conflicts from Competing Interests

We manage and advise numerous investment vehicles and other clients, some of which may be our affiliates, which compete for access to our resources, including investment opportunities. There may be conflicts of interest in allocating investment opportunities among the current and future affiliated and unaffiliated investment vehicles and clients that we manage or advise. Other than specific contractual restrictions that may exist, or that may be required by investors, there are no restrictions on us or our affiliates from forming, sponsoring, owning, managing and/or advising additional investment vehicles or clients that have overlapping investment objectives or investment criteria. We are subject to our own allocation policies, which are subject to change at our discretion. There can be no assurance that we or our affiliates will not devote more time, attention or resources to some of these potentially competing investment vehicles and clients than to others or present an opportunity to some investment vehicles and/or clients that we do not or cannot present to all. This could have a material adverse effect on an investment vehicles' or client's ability to acquire assets, generate cash flow and income, and make or receive distributions.

We may confront conflict concerns when allocating scarce investment opportunities, given the benefit to us of favoring client accounts that pay a higher fee or generate more income for us. To address this conflict of interest, we have adopted allocation procedures as well as supervisory procedures that are intended to fairly allocate investment opportunities among competing client accounts over time.

Performance-based compensation may create a conflict of interest, as it can create an incentive for PGIM Real Estate or a supervised person to make or recommend investments that are riskier or more speculative than would be the case in the absence of such a compensation structure. As part of their compensation, certain of our supervised persons receive compensation and other payments which are based on the performance of an investment or portfolio of investments. To address these potential conflicts, we have policies and procedures designed to ensure that each of our client's investments are managed in a manner that is consistent with our fiduciary obligations, as well as with the client's investment objectives, investment strategies and restrictions, including independent internal review of investment decisions.

While we operate as a fiduciary under our various investment management and advisory agreements, investors often have agreed to indemnify us and our affiliates against certain liabilities that are not attributable to our failure to meet a specified

standard of care. In addition, we are often not responsible for losses arising in relation to investments that we manage or in respect of which we advise unless such losses arise from our failure to meet a specified standard of care. As a result, investors could experience poor performance or losses for which we would not be liable.

Conflicts Related to Third Party Fee Rates

PGIM Real Estate retains third party service providers to provide various services for our business as well as for portfolios that we manage and clients that we advise or sub advise. A service provider, or its affiliate, may provide services to one or more of our clients while also providing services to PGIM Real Estate itself, other clients of PGIM Real Estate, other PGIM businesses, other PGIM-advised funds or affiliates of PGIM, and may negotiate rates in the context of the overall relationship or may charge different rates or have different arrangements for specific types of services. PGIM Real Estate may benefit to a greater degree from such service provider agreements than our funds or other clients with respect to certain types of services that are offered to the funds or other clients. There is no assurance that we will be able to obtain or apply, in all instances, advantageous fee rates from a given service provider negotiated with respect to services provided to us or our funds or other clients; or negotiated by other PGIM businesses, other PGIM-advised funds or affiliates of PGIM based on their relationship with the service provider, or that we will be aware of certain negotiated fee rates.

Conflicts Relating to Proxy Voting

Conflicts of interest may arise regarding proxy voting. A senior PGIM Real Estate portfolio manager oversees the proxy voting process and assesses potential conflicts of interest relating to proxy voting. See Item 17 for more detailed information concerning our proxy voting policy.

Conflicts Relating to Affiliate or Investor Financing

We and our affiliates may have certain intergroup financial arrangements which may have the effect of giving affiliates invested in investment vehicles advised by group members preferential economic terms as compared to unaffiliated investors.

Funds or other accounts managed by PGIM Real Estate from time to time seek financing on terms beneficial to the fund or account. Financing transactions may be undertaken at the account or asset level, may be secured or unsecured and may take various forms including, without limitation, entering into loans, revolving credit facilities, privately placed debt, subscription-secured facilities, suretyship arrangements, letters of credit and interest hedging arrangements, in addition to

mortgage loans. From time to time, an investor in a PGIM Real Estate managed fund or account or an affiliate may offer financing to a PGIM Real Estate managed fund or account. Financings would be required to be on market terms, ERISA compliant, and to address other conflicts of interest considerations that we deem relevant under the circumstances. We will not advise the lender in such transactions. Repayment of such financings or exercise of remedies by the lender under default circumstances could result in a transfer of assets from the borrower to the investor or affiliate that has made the loan.

Conflicts Arising from Relationships with Large Clients

Conflicts of interest may arise due to our relationships with large clients, which may include our own affiliates. Such clients may have needs for information, reporting, operational support, or access to other resources that may be disproportionate to the nature or amount of assets we manage for them, and the overall services we provide may be different or greater than may be more generally provided to other clients. As an example, representatives of Prudential Financial, PICA's general account, PGIM's proprietary accounts and accounts of other PGIM affiliates (collectively, the "Affiliated Accounts") who are responsible for analyzing Prudential Financial's enterprise investment risk may have access to certain information about our assets under management, including for third parties, that is not typically made available to non-affiliated clients (although this access does not include specific non-affiliated client identifying information or portfolio information for our clients who have asked for confidentiality with respect to sharing of information with our affiliates.) We believe that we manage our relationships with such Affiliated Accounts in a manner that is consistent with the best interests of all our clients.

Conflicts Related to Investment Consultants

Many of our clients and prospective clients retain investment consultants (including discretionary investment managers and OCIO (Outsourced Chief Investment Officer) providers) to advise them on the selection and review of investment managers (including with respect to the selection of investment funds). We have dealings with these investment consultants in their roles as discretionary managers or non-discretionary advisers to their clients. We also have independent business relationships with investment consultants.

We provide investment consultants with information on accounts we manage for their clients (and similarly, we provide information about funds in which such clients are invested), in each case pursuant to authorization from the clients. We also provide information regarding our investment strategies to investment consultants, who use that information in connection with searches they conduct for

their clients. We often respond to requests for proposals in connection with those searches.

We will provide you with information about our relationship with consultants upon request. In general, we rely on the investment consultant to make the appropriate disclosure to its clients of any conflict that the investment consultant believes to exist due to its business relationships with us.

Conflicts Arising from PGIM or its Affiliates' Investment and Other Activities and Relationships

Conflicts of interest may arise in connection with the investment or other activities of PGIM and its affiliates, or through the relationships of such parties with issuers of public securities. Affiliated Accounts may at times hold various levels of financial or other interests, including but not limited, to portfolio holdings in companies whose securities may be held or purchased or sold in third party client accounts. These financial interests may at any time be in potential or actual conflict with the interests of our accounts or may be inconsistent with positions we hold or actions we might take on behalf of our client accounts. These interests can include debt or equity financing, strategic corporate relationships or investments and the offering of investment advice in various forms. Thus, PGIM may invest client assets in the securities of companies with which we or an affiliate has a financial relationship, including investment in the securities of companies that are our advisory clients. At times, we may be unable to invest client assets in the securities of certain issuers as a result of these investments or relationships.

A client account may have an investment in securities of an issuer, including an equity interest in a joint venture or another entity that is engaged in a business that competes with issuers whose securities are held in other client accounts, or that competes directly with our business or that of an affiliate. Examples could include investments in publicly-traded securities of insurance or financial services companies that are competitors of Prudential Financial; or certain investments of one or more of our clients in entities that are engaged in commercial mortgage lending and related activities, a business in which PGIM Real Estate Finance, an affiliate of PGIM Real Estate, is actively engaged. While these types of conflicts cannot be eliminated, we have implemented policies and procedures designed to ensure that, notwithstanding, these conflicts, investments of our clients are originated and managed in their best interests.

Our holdings of a security on behalf of our clients are required, under certain regulations, to be aggregated with the holdings of that security by other Prudential Financial affiliates. These holdings could, on an aggregate basis, exceed certain

reporting or ownership thresholds. Prudential Financial tracks these aggregated holdings and we may restrict purchases, sell existing positions, or otherwise restrict, forgo, or limit the exercise of rights to avoid crossing such thresholds because of the potential consequences to us or Prudential Financial if such thresholds are exceeded.

In addition, our portfolio managers may have a financial interest in the accounts they advise, for example through performance-based compensation or payments or through the making of a co-investment alongside a client. To address potential conflicts of interest, we have procedures, including supervisory review procedures, designed to ensure that all of our accounts are managed in a manner that is consistent with the clients' investment objectives, investment strategies and restrictions, as well as with our fiduciary obligations.

Conflicts arising from Side Agreements

We sometimes enter into side agreements with investors in the funds and other investment vehicles we manage. Among other things, the side agreements may include supplementary reporting requirements, and often also include provisions relating to advisory committee membership, co-investment opportunities and special investment restrictions. We do not enter into side agreements with investors that, in our judgment, would materially adversely affect the interests of other investors in the same fund or investment vehicle, unless otherwise permitted under the relevant legal documents.

Conflicts arising from the Use of PGIM Warehouse

PGIM Warehouse, Inc. ("PGIM Warehouse") is a separately capitalized affiliate of PGIM Real Estate that acquires private debt, private equity, real estate investments, asset-backed securities and public bonds to be "warehoused" temporarily until subsequently placed in certain funds managed by us or syndicated to unaffiliated investors. These "warehoused" assets are generally transferred or syndicated at a price equal to PGIM Warehouse's cost plus a "cost of carry". While historically transfers and syndications of investments have been beneficial to the relevant investors, it is possible that the value of a "warehoused asset" could decline in value prior to the time it is transferred or syndicated.

While the primary goal of PGIM Warehouse has historically been to provide short-term seed capital to funds that we manage, PGIM Warehouse also provides operating capital to certain funds once they have closed and are in their investment period. This operating capital is generally provided through market-rate credit facilities that are secured by undrawn capital commitments from investors ("subscription lines") and bridge loans that are secured by assets of the funds. For

both subscription lines and bridge loans, a formal policy and procedure is followed which, among other things, requires (i) justification of the loan's economic terms through comparison to the marketplace, (ii) approval from internal credit and investment committees, (iii) full disclosure to fund investors, and (iv) if required by the fund documents, investor or investor advisory council approval. In the case of a fund's default on a bridge loan, PGIM Warehouse will appoint an unaffiliated, third-party servicer to conduct workout or other remedial activities, as applicable.

Conflicts Related to Co-Investment by Affiliates

Our affiliates may provide initial funding or otherwise invest in funds managed by us. When an affiliate provides capital for a fund, it may do so with the intention of redeeming all or part of its interest at a future point in time or when it deems that sufficient additional capital has been invested in that fund. In such circumstances:

- The timing of a redemption by an affiliate could benefit the affiliate. For example, the fund may be more liquid at the time of the affiliate's redemption than it is at times when other investors may wish to withdraw all or part of their interests.
- A consequence of any withdrawal of a significant amount, including by an affiliate, is that investors remaining in the fund will bear a proportionately higher share of fund expenses following the redemption.
- A conflict may arise if the interests of the affiliated investor in a fund we manage diverge from those of the fund or of the other investors in that fund.

Conflicts Arising from Valuation of Assets

Our client accounts may at times hold illiquid or difficult to value investments. As a result, while we believe that our valuation policies and procedures enable us to value client assets fairly and in a manner that is consistent with the best interests of our clients, we may face a conflict of interest when making a recommendation to clients regarding the value of such investments because our investment management fees are at times based on the value of assets under management.

Item 12 – Brokerage Practices

A. Broker Selection

Our GRES team selects brokers based on their ability to obtain best overall execution. This is determined based on a combination of commissions, market impact, trade execution and settlement, as well as security trading supply and

demand data points and the nature and extent of research services (as further described below). The GRES team views all trades on a net-proceeds basis, and reviews broker trade execution by reviewing a published securities quote recap and by comparing the broker's execution versus the volume weighted average price and the closing price. Most trades are done on well-established stock exchanges on an agency basis.

Our procedures require a broker to be approved for trading in real estate equity securities based on the type of transaction, corresponding risk characteristics and transaction collateral, where applicable. Our procedures also set out the nominal exposure limits a particular broker can have to us, again based on the type of transaction. Class types and corresponding dollar limits are directly related to the risk level of the transaction. Brokers who are not approved are blocked from trading.

The GRES team conducts reviews of broker performance during quarterly Best Execution Committee Meetings. Committee members include PGIM Real Estate professionals from multiple areas, including, Compliance and Portfolio Management. The GRES team also employs guidelines regarding trading with counterparties.

B. Soft Dollars/Research Services

The GRES team receives a broad range of proprietary and third-party research from broker-dealers in the form of written reports, periodicals, investment seminars, and electronic access to and telephone contacts and personal meetings with economists and industry participants. All non-execution services are paid for with securities brokerage commissions in accordance with Section 28E of the Securities Exchange Act of 1934. These non-execution services may aid in our investment decision making or trade execution. We exclude from use under these arrangements those products and services that are not eligible under applicable regulatory interpretations even when a portion of "mixed use" products or services would be eligible if accounted for separately.

In some instances, entities provide research services but have not entered into commission sharing agreements with us ("Bundled Provider"). In these instances, to the extent that any broker or research provider provides proprietary research, we cannot place an explicit value on that research. In other instances, we may enter into commission sharing agreements with brokers and entities who provide research services (each, a "CSA (Commission Sharing Agreement) Provider") whereby a portion of the commission expense is allocated to the provision of third-party research. In both cases, we make a good faith determination that the higher commission is reasonable in relation to the value of research and brokerage services

provided, viewed in terms of either that particular transaction or our overall responsibilities with respect to all of our clients' accounts. We do not presently have any Commission Sharing Agreements with brokers. Finally, we have arrangements with certain brokers who provide "execution only" services.

In the case of Bundled Providers or CSA Providers, we could pay or be deemed to have paid, commission rates higher than we would have, notwithstanding our determination that the commission paid is reasonable or otherwise been paid in order to obtain such non-execution services. In that regard, the receipt of research and other non-execution services creates a conflict of interest because we may have an incentive to select or recommend a broker-dealer based on our desire to receive research and other non-execution services rather than our clients' interest in receiving best execution.

Generally speaking, the GRES team receives research services in connection with trading across all of its strategies, including accounts that use an execution-only broker. For example, research that is paid for through one client's commissions may not be used in managing that client's account but may be used in managing other accounts (including accounts that may use execution-only brokers). The value of the research cannot reasonably be allocated to any particular account, and there may be instances where research may disproportionately benefit some accounts relative to other accounts based on the relative amount of commissions paid.

We believe that the blend of "execution-only", Bundled Providers and CSA Providers enhances our investment research and trading processes and results in a competitive overall commission rate.

C. Periodic Broker Review

When selecting a broker to execute client transactions in return for research, we seek the best execution and most advantageous price considering the overall quality and reliability of brokerage considering multiple factors. For this purpose, our GRES team has established an evaluation process pursuant to which portfolio management personnel and traders rate broker-dealers regardless of their provision of research services. Subject to our duty to seek best execution and applicable laws and regulations, we generally allocate trading among broker-dealers in accordance with the outcome of this evaluation process.

D. Cross Trading

The GRES team may engage in cross trading where permissible under applicable law, if we determine that such action would be favorable to both clients and the conditions for the transaction are fair to both parties. Upon a client request or

direction, we may also engage in trades between two accounts owned by a client or affiliated clients using a broker-dealer.

Item 13 – Review of Accounts

The PGIM Real Estate Chief Executive Officer and Global Chief Risk and Investment Officer have responsibility for the periodic review of PGIM Real Estate accounts.

Review of Transactions

The acquisition and disposition of private real estate investment is reviewed by the appropriate PGIM Real Estate investment committee or by a subcommittee thereof or the relevant portfolio manager, pursuant to delegated authority. For those accounts that are non-discretionary, such review occurs prior to seeking the relevant client's consent.

As part of the approval process, the suitability of the investment being acquired for, or the appropriateness of the sale of the investment by the particular account is confirmed, taking into consideration the account's investment guidelines, restrictions and other requirements. Investment guidelines are initially reviewed and approved for each account at the time of account formation by the applicable risk and product approval committees.

The investment committee for our GRES business does not review individual transactions in publicly traded real estate securities but establishes for each portfolio and then reviews, on a regular basis, the geographic portfolio allocations among Europe, Asia and North America and the other risk characteristics and parameters that will be applied.

Periodic Review of Portfolios

PGIM Real Estate has supervisory procedures governing its investment advisory activities which require our investment officers to review, on a periodic basis, the accounts of our advisory clients. All portfolios of private real estate investments are reviewed with senior members of the firm, including the Chief Executive Officer and Global Chief Risk and Investment Officer on a semi-annual basis. During these meetings, compliance with the investment guidelines for the relevant portfolio is reviewed and feedback regarding the portfolio's performance, challenges, client feedback, and priorities (among other items) are discussed.

Publicly-traded mutual fund portfolio subadvised by us are monitored on a daily basis. Additionally, we are subject to oversight by the manager of each fund and by

their Board of Directors.

Additional On-Going Review of Accounts

With respect to portfolios of publicly traded real estate securities, control functions such as our compliance team review and assess data and processes relating to our management and trading and report the results of these analyses independently to our senior management. Examples of these independent reviews include a daily compliance review of accounts to assess consistency with guideline restrictions, periodic review of trading to examine allocation, timing and periodic review by the appropriate groups of individuals charged with oversight responsibility for our investment management, trading and related activities.

With respect to the private real estate portfolios, Compliance is responsible for monitoring fund guidelines on a transactional basis, periodically performing forensic testing on such portfolios and playing an oversight role with committees such as the Allocation and Investment Committees.

Investor and Client Reporting

Investors receive regular reports covering the assets and liabilities and net profit or net loss of a fund or other investment vehicle in which they have invested, as well as a review of the significant investments and/or dispositions made on behalf of the relevant fund or other investment vehicle. Some funds and investment vehicles that we manage or advise also have advisory councils, comprised of investors, which meet annually or semi-annually to discuss issues with the portfolio management team.

With respect to accounts of PICA and other affiliates, periodic reports are made to senior management of Prudential Financial. Quarterly and annual performance reports, which may include summaries of purchase and sale activity, are made to our other advisory clients.

Investor and Client Meetings

Senior investment professionals are made available on an as needed basis for client meetings and with underlying investors in investment vehicles that we manage or advise. The frequency of meetings is at the client's or investor's discretion, although we encourage clients to schedule face-to-face meetings at least once each year. Meetings are tailored to the client's needs and typically include a review of the economic outlook, a review of portfolio performance and an overview of future investment objectives. Generally, client meetings are attended by a member of the fund's management team and a designated marketing and client service representative.

Item 14 – Client Referrals and Other Compensation

PGIM Real Estate may utilize affiliated or unaffiliated entities to facilitate the distribution of certain investment vehicles in certain jurisdictions. While we do not typically engage in solicitation arrangements with unaffiliated third parties, we may from time to time compensate an affiliate or a third party for investor referrals. In both instances, the manner and amount of compensation would typically be negotiated on a case by case basis.

Item 15 – Custody

We do not have direct custody of client funds or securities. However, PGIM Real Estate may be deemed to have limited indirect custody as a result of either PGIM Real Estate or an affiliate thereof acting as a general partner of a fund that we manage or as a result of limited discretion which authorizes the withdrawal of funds or reduction of units for purposes of collecting advisory fees. PGIM Real Estate also issues account statements for the value of the units of the overall investment and any cash positions. With respect to cash balances, we urge each investor to periodically compare the account statements received from the qualified custodian with those they receive from PGIM Real Estate. As required by custody guidelines, private funds managed by PGIM Real Estate are subject to an annual independent audit and the audited financial statements are distributed to investors within 120 days of the end of the applicable funds' fiscal year. As a result, we are not required to engage an independent public accounting firm to conduct an annual surprise audit of our operations, as would otherwise be required by rules under the Investment Advisors Act of 1940.

A client's custody agreement with its custodian may contain authorizations with respect to the transfer of client funds or securities broader than those in the client's written investment management agreement with PGIM Real Estate. In those circumstances, PGIM Real Estate's authority is limited to the authority set forth in the client's written investment management agreement with PGIM Real Estate regardless of any broader authorization in the client's custody agreement with its qualified custodian. The qualified custodian's monitoring, if any, of the client's account is governed by the client's relationship with its custodian.

With respect to publicly traded real estate securities portfolios managed by us, we do not take physical custody of the assets of our clients. Client assets are generally held in custodial accounts with banks, broker-dealers or other qualified custodians retained by our clients under arrangements negotiated by them.

Item 16 – Investment Discretion

Where we have discretionary authority from a client, we generally receive such authority at the outset of our relationship with that client in respect of the relevant investments. Such authority permits us to select the identity and amount of the investments to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client.

When selecting investments and determining appropriate investment amounts, we observe the investment policies, limitations and restrictions established by the relevant accounts and clients. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

A client's investment guidelines and restrictions must be provided to PGIM Real Estate in writing as part of its investment advisory agreement.

For our public securities portfolios, prior to onboarding, we obtain all necessary information to ensure that the account, including all relevant restrictions, is properly established in applicable trading and accounting systems.

Item 17 – Voting Client Securities

In General

We accept the authority to vote securities held in our clients' accounts when our clients delegate this authority to us. Our investment management and advisory agreements with our clients will generally specify whether or not we have the authority to vote proxies on their behalf.

Our Proxy Voting Policy and Procedures

Our policy is to vote proxies in the best economic interests of our clients, both in the long term and in the short term

Our proxy voting policy contains general guidelines for voting on a wide variety of issues that shareholders are commonly asked to address. These guidelines reflect our judgment of how we can best further the economic interests of our clients through the shareholder voting process.

From time to time, ballot issues arise that are not specifically addressed by our policy, or circumstances may suggest a vote not in accordance with our established guidelines. In these cases, our voting decisions are made on a case-by-case basis taking into consideration the potential economic impact of the proposal.

We do not receive all ballots in advance of voting deadlines, but when ballots are received in a timely fashion, we strive to meet our voting obligations within industry standards. We cannot, however, guarantee that every proxy will be voted prior to its deadline. There may also be other situations where we may be unable to vote a proxy or choose not to. For example, with respect to international holdings, we take into account additional restrictions in some countries that might impair our ability to trade those securities or have other potentially adverse economic consequences. We generally vote foreign securities on a best efforts basis if we determine that voting is in the best economic interest of our clients.

On an annual basis, proxy voting issues are discussed with GRES senior management. During this discussion, proxy voting policy interpretations, conflicts of interest, and the policy's effectiveness are reviewed

For our private real estate portfolios, each proxy received is reviewed by the applicable portfolio manager and voted in accordance with our policy.

For our public real estate portfolios, we currently use the services of a third-party proxy voting facilitator and, upon receipt of proxies, will direct the voting facilitator to vote in a manner consistent with our established proxy voting guidelines described above (assuming timely receipt of proxy materials from issuers and custodians).

We provide disclosure of our proxy voting policy, guidelines and procedures to our clients who authorize us to vote proxies, generally at the time that we are negotiating our investment management or advisory agreement. Any client may obtain a copy of these items, as well as the proxy voting records for that client's securities, by contacting the client service representative responsible for their account.

Note with Respect to the Voting of Certain Securities

Some of our clients may participate in securities lending programs in their accounts. We do not control or participate in any way in these programs and do not know when or which securities in our clients' accounts are in these programs. We cannot vote securities that are out of our clients' portfolios on loan or are otherwise excluded from voting privileges.

Client Direction of Voting

Although most of our clients for whom we vote proxies authorize us to vote in accordance with our proxy voting policy, a client may request that we vote its proxies in accordance with a different policy. We try to accommodate such requests. In addition, a client may direct us to vote its securities in a particular way on a particular proposal and we will seek to do so, assuming timely receipt of the instruction. However, if the ballot pertains to the client's own meeting, the ballot will be voted in accordance with our third -party proxy vendor's policy. (See "Conflicts of Interest in the Voting Process" immediately below.)

Conflicts of Interest in the Voting Process

Occasionally, a conflict of interest may arise in connection with proxy voting. For example, the issuer of the securities being voted may also be a client of ours. When we identify an actual or potential conflict of interest between our firm and our clients that we are unable to resolve, the matter is referred to the proxy voting committee (comprised of portfolio management, Law and Compliance representatives) for resolution, which may include abstaining from a particular vote or voting in accordance with the policy of our proxy voting facilitator rather than our own policy.

Accounts for Which We Do Not Vote Securities

Some of our clients elect to retain voting authority for themselves. Those clients receive proxies and other solicitation materials from their custodians, and if we receive these materials for the account of such a client, we will forward them to the client's custodian. If a client has a question about a particular solicitation, the client may contact its PGIM Real Estate client service representative and we will try to address the client's question. We will not, however, disclose how we intend to vote on an issue for other clients' accounts.

Class Actions and Corporate Actions

In addition to voting rights with respect to securities held in our clients' portfolios, there may be other rights associated with those securities, including the right or opportunity to participate in class actions and corporate actions.

We have agreed with some of our clients to file proofs of claim for class action lawsuits relating to securities held, or formerly held, in their portfolios while managed by us. Other clients may have their custodians handle proofs of claim or may handle such matters themselves.

Where we have agreed to handle proof of claim filings for a client, we will generally seek and use our best efforts to file such notices in all class action lawsuits in which

the client is eligible to participate. In so doing, we will not inquire into the particular circumstances of any client. As a result, we will not seek to determine on an individual basis whether facts and circumstances relevant to that client would suggest that non-participation in the class action is appropriate or more advantageous to that client. For example, a client on whose behalf a proof of claim is filed may, as a result of having joined the class, waive or relinquish other claims that it may have against the target of the class action. The client may also have an interest or position with respect to the nature of the class action claim that is adverse to that of the class of plaintiffs. We would generally not be aware of those circumstances. Had the client elected to handle class action lawsuits for itself, it might have determined not to file the proof of claim in such a class action. We do not provide any legal advice or services in connection with class actions.

With respect to corporate actions (such as an issuer's merger, tender offer, dividend distribution, etc.), we participate on behalf of clients who authorize us to do so, taking such action as we deem to be in the best interest of the clients' accounts.

Item 18 – Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our client.

For Clients Subject to ERISA

This brochure is being provided for informational purposes. In providing this brochure, PGIM (i) is not acting as your fiduciary as defined by the Department of Labor and is not giving advice in a fiduciary capacity and (ii) is not undertaking to provide impartial investment advice as PGIM will receive compensation for its investment management services.