

UK AFFORDABLE HOUSING & DERWENT HOUSE

Please note this is an extract from our
2020-2021 ESG Annual Report.

To view the complete report which includes
additional information and statements,
please visit pgimrealestate.com/esg



Affordable Housing

AFFORDABLE HOUSING STRATEGY — UK

In December 2020, PGIM Real Estate launched its UK affordable housing strategy. This strategy is the culmination of a collaboration with Northern LGPS and Brunel Pension Partnership — with an initial capital raise totaling £190 million which it has the ability to leverage, deploying up to £250 million at launch.

The strategy is focusing on investing in and developing affordable homes for working people and families across the UK after a collapse in affordable housing supply in the UK that has lasted since the 1970s. This investment will both help alleviate the supply-and-demand imbalance in the affordable-housing sector and strengthen PGIM Real Estate's long commitment to sustainability.



Sustainability Projects

DERWENT HOUSE —UK

Derwent House is a Grade A office space located in Sheffield's city center with seven floors of large, open plan floor plates. Boasting excellent views of the surrounding city center and high performance building features, Derwent House is both an appealing office environment and a strong performer in the BREEAM In-Use Certification.

With the goal of continual improvement on the annual GRESB Assessment, PGIM Real Estate selected BREEAM In-Use as a certification framework in the UK that would help achieve our corporate sustainability target to independently verify the performance of our assets through portfolio certification during operation, refurbishment or new construction, using appropriate green building certification schemes.

With the support of a consultant who helped guide and support the property management team and ensured that the required aspects were obtained and quality-checked, the property achieved a “good” rating overall.

Sustainability highlights are:

- + LED lighting with occupant controls
- + On-site recycling
- + Secure bicycle racks
- + Water-efficient toilets and bathroom faucets
- + Proximity to public transit

BREEAM In-Use Certification Score:

Asset Performance:

3 Stars, Good & Overall Score

45.6%

Building Management:

3 Stars, Good & Overall Score

42.7%

IMPORTANT INFORMATION

For professional investors only.

All investments involve risk, including the possible loss of capital.

This report is for informational and educational purposes only and should not be construed as investment advice or an offer or solicitation in respect of any products or services to any persons who are prohibited from receiving such information under the laws applicable to their place of citizenship, domicile or residence. The information is not intended as investment advice and is not a recommendation about managing or investing assets.

PGIM, Inc., is the principal asset management business of PFI and is a registered investment advisor with the US Securities and Exchange Commission. Registration as a registered investment adviser does not imply a certain level or skill or training. PGIM Real Estate is the real estate investment management business of PGIM, Inc. the principal asset management business of Prudential Financial, Inc. ('PFI') of the United States. PFI of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom. PGIM, the PGIM logo, and the Rock symbol are service marks of PFI and its related entities, registered in many jurisdictions worldwide.

In the United Kingdom, information is issued by PGIM Limited with registered office: Grand Buildings, 1-3 Strand, Trafalgar Square, London, WC2N 5HR. PGIM Limited is authorized and regulated by the Financial Conduct Authority ("FCA") of the United Kingdom (Firm Reference Number 193418). In the European Economic Area ("EEA"), information is issued by PGIM Real Estate Luxembourg S.A. with registered office: 2, boulevard de la Foire, L1528 Luxembourg. PGIM Real Estate Luxembourg S.A. is authorized and regulated by the Commission de Surveillance du Secteur Financier (the "CSSF") in Luxembourg (registration number A00001218) and operating on the basis of a European passport. In certain EEA countries, information is, where permitted, presented by PGIM Limited in reliance of provisions, exemptions or licenses available to PGIM Limited under temporary permission arrangements following the exit of the United Kingdom from the European Union. These materials are issued by PGIM Limited and/or PGIM Real Estate Luxembourg S.A. to persons who are professional clients as defined under the rules of the FCA and/or to persons who are professional clients as defined in the relevant local implementation of Directive 2014/65/EU (MiFID II).

PGIM Real Estate Germany AG is a German Capital Management Company with a respective license pursuant to sec. 20, 22 of the German Capital Investment Act (Kapitalanlagegesetzbuch-KAGB). In case PGIM Real Estate Germany AG markets or distributes units or shares in external investment funds, i.e., investment funds for which PGIM Real Estate Germany AG does not provide the collective portfolio management within the meaning of Directive 2011/61/EU or, respectively, the KAGB, such marketing or distribution is performed in accordance with sec. 20 para. 3 no.6 KAGB. PGIM Real Estate Germany AG is not responsible for the collective portfolio management (including portfolio and risk management) within the meaning of Directive 2011/61/EU or, respectively, the KAGB, with regard to the respective investment funds in this case. It is also not responsible for the content of any marketing material (including prospectus, Offering Memoranda etc.) provided by the fund manager or other third parties. PGIM Real Estate Germany AG will not examine or assess the individual situation of any prospective investor and does not provide any personal recommendations, including recommendations related to tax issues, to prospective investors relating to transactions in the respective investment funds. Where relevant, prospective investors should seek advice from qualified third parties before they take an investment decision.

The information provided in the document is presented by PGIM (Singapore) (Pte. Ltd.), a Singapore investment manager that is registered with, and licensed by the Monetary Authority of Singapore. In Hong Kong, information is provided by PGIM (Hong Kong) Limited, a regulated entity with the Securities & Futures Commission in Hong Kong to professional investors as defined in Section 1 of Part 1 of Schedule 1 (paragraph (a) to (i) of the Securities and Futures Ordinance (Cap.571)). In Japan, information is provided by PGIM Real Estate (Japan) Ltd., a Japanese asset manager that is registered with the Kanto Local Finance Bureau of Japan. In Australia, information is issued by PGIM (Australia) Pty Ltd ("PGIM Australia") for the general information of its "wholesale" customers (as defined in the Corporations Act 2001). PGIM Australia is a representative of PGIM Limited, which is exempt from the requirement to hold an Australian Financial Services License under the Australian Corporations Act 2001 in respect of financial services. PGIM Limited is exempt by virtue of its regulation by the Financial Conduct Authority under the laws of the United Kingdom and the application of ASIC Class Order 03/1099. The laws of the United Kingdom differ from Australian laws.

All data is accurate as at presentation date unless otherwise stated.

The information contained herein is provided by PGIM Real Estate. This document may contain confidential information and the recipient hereof agrees to maintain the confidentiality of such information. Distribution of this information to any person other than the person to whom it was originally delivered and to such person's advisers is unauthorized, and any reproduction of these materials, in whole or in part, or the divulgence of any of its contents, without the prior consent of PGIM Real Estate, is prohibited. Certain information in this document has been obtained from sources that PGIM Real Estate believes to be reliable as of the date presented; however, PGIM Real Estate cannot guarantee the accuracy of such information, assure its completeness, or warrant such information will not be changed. The information contained herein is current as of the date of issuance (or such earlier date as referenced herein) and is subject to change without notice. PGIM Real Estate has no obligation to update any or all such information; nor do we make any express or implied warranties or representations as to the completeness or accuracy. Any information presented regarding the affiliates of PGIM Real Estate is presented purely to facilitate an organizational overview and is not a solicitation on behalf of any affiliate. These materials are not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or any investment management services. These materials do not constitute investment advice and should not be used as the basis for any investment decision.

These materials do not take into account individual client circumstances, objectives or needs. No determination has been made regarding the suitability of any securities, financial instruments or strategies for particular clients or prospects. The information contained herein is provided on the basis and subject to the explanations, caveats and warnings set out in this notice and elsewhere herein. Any discussion of risk management is intended to describe PGIM Real Estate's efforts to monitor and manage risk but does not imply low risk.

All performance and targets contained herein are subject to revision by PGIM Real Estate and are provided solely as a guide to current expectations. There can be no assurance that any product or strategy described herein will achieve any targets or that there will be any return of capital. Past performance is not a guarantee or reliable indicator of future results. No representations are made by PGIM Real Estate as to the actual composition or performance of any account.

Performance targets set forth within this document are based on disseminated price quotes or actual prices from recent transactions and the returns realized between acquirers and their counterparts in the relevant established regional markets. Using published data regarding actual transactions, a reasonable basis is determined via the consideration of the extent to which reliable data is known about the transactions representative of the relevant region; and the general nature of the underlying transactions (arms-length transaction, distressed sale, etc.). Please note, real estate sales data may not be regularly reported or verified in certain regions; therefore, there is no guarantee that the performance targets or other assumptions set forth in this presentation will prove to be accurate in the face of actual changes in the market or other material changes in regional or local markets specific to this strategy.

These materials are for informational or educational purposes. In providing these materials, PGIM (i) is not acting as your fiduciary 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.

PGIM Real Estate is in the process of implementing the applicable requirements as per the EU's Sustainable Finance Disclosures Regulation ("SFDR") as specified by the commission delegated regulation, which supplements the SFDR with regard to regulatory technical standards ("RTS") specifying the content, methodologies and presentation of information in relation to sustainability indicators and the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, websites and periodic reports.

It should be noted that the RTS are still in draft form and subject to further changes before they become effective. As a consequence, PGIM Real Estate may need to adopt its implementation to meet the requirements as they enter into force by 1 July 2022. PGIM Real Estate is also in the process of implementing the applicable requirements as per EU Regulation on the establishment of a framework to facilitate sustainable investment (the "Framework Regulation"), which will apply from 1 July 2022.

Not all financial products mentioned in this ESG Annual Report do have as their objective sustainable investment and promote environmental or social characteristics for the purposes of the SFDR. Those financial products are therefore not subject to the additional disclosure requirements for financial products referred to in Article 8 or Article 9 SFDR. For the same reason, these financial products are not subject to the requirements of the Framework Regulation. The investments underlying those financial products do not take into account the EU criteria for environmentally sustainable economic activities. Please refer to the specific documentation for each individual financial product to assess its SFDR categorization.

Coronavirus

Occurrences of epidemics, depending on their scale, may cause different degrees of damage to national and local economies that could affect the value of the Fund and the Fund's underlying investments. Economic conditions may be disrupted by widespread outbreaks of infectious or contagious diseases, and such disruption may adversely affect real estate valuations, the Fund's investments, and the Fund and its potential returns. For example, the continuing spread of COVID -19 (also known as novel coronavirus) may have an adverse effect on the value, operating results and financial condition of some or all of the Fund's investments, as well as the ability of the Fund to source and execute target investments. The progress and outcome of the current COVID -19 outbreak remains uncertain.

PGIM Real Estate
Ref ID 002133