

**PGIM Real Estate (UK) Limited (formerly known as PGIM Fund Management Limited)**  
**Section 172(1) Statement for the Year Ended 31 December 2019**

The Strategic Report must include a statement describing how the Directors have a regard to the matters as set out in section 172(1) of the Companies Act 2016 (CA 2016) as detailed below. Sections 465 to 467 of CA 2016 do allow for certain exemptions from this disclosure on the basis of size or materiality, however the Company is excluded from benefiting from these exemptions on the basis that it forms part of an ineligible group, that is a group which, amongst other criteria, contains a MiFID investment Firm or UCITS management company.

**a) The likely consequences of any decision in the long term**

The Company regularly assesses its strategy from both a commercial and risk perspective to ensure the long term consequences of any strategic decision are understood and taken into account.

The governance of the Company was reinforced during the year with the appointment of M. A. Chamieh to the Board, following the resignations of two Directors due to changes in their responsibilities and geographical location. M. A. Chamieh has been appointed to the Company's Board to strengthen the Global Strategy and foster business development.

Within this context, the Company applied during the year for a MiFID top-up to its existing permissions in order to be able to provide Ground Lease Fund activity related services going forward and changed its name to PGIMREL.

During 2019 the strategic decision was taken to transfer the Deed of Guarantee for insurance mediation activities carried out by PGIM Limited from PGIM Private Capital Limited (formerly known as Pricoa Capital Group Limited) to PGIM Real Estate (UK) Limited. In order to be able to make this guarantee, the Company was required to have net assets of at least £10.0 million and to achieve this the Company issued £9.3 million of Ordinary shares at par during the year. The guarantee between PGIM Real Estate Limited and PGIM Limited is for a maximum claim of £3.0 million.

**b) The interests of the Company's employees**

The Company has no direct employees and is therefore exempt from reporting on employee engagement.

**c) The need to foster the Company's business relationships with suppliers, customers and other stakeholders**

The Company is exempt from reporting on its relationships with other stakeholders.

**d) The impact of the Company's operations on the community and the environment**

The Group encourages its employees to contribute to the community in which the Company operates by offering the opportunity to take part in local charity and volunteering initiatives. The Group seeks where possible to minimise its impact on the environment and has developed in-house initiatives, such as an internal recycling scheme and the provision of employee cycle racks, to this aim.

**e) The desirability of the Company maintaining a reputation for high standards of business conduct**

There is worldwide engagement with employees regarding individual conduct and the high standards of ethics and integrity expected of employees is outlined in Prudential's Code of Conduct "Making the Right Choices". The Code of Conduct is supported by ongoing training and annual re-certification.

**f) The need to act fairly between members of the Company.**

The Company is a Private Limited Company with a sole shareholder.