

# Seeking Real Estate Opportunities Around The World

INVEST IN

## PGIM INDIA GLOBAL SELECT REAL ESTATE SECURITIES FUND OF FUND (FoF)

(An open-ended equity fund of fund scheme investing in PGIM Global Select Real Estate Securities Fund)





**NFO OPENS: 15<sup>th</sup> NOVEMBER, 2021**

**NFO CLOSES: 29<sup>th</sup> NOVEMBER, 2021**

INDIA'S FIRST  
— GLOBAL —  
REAL ESTATE  
SECURITIES  
FUND

PGIM Global Select Real Estate Securities Fund (underlying fund for PGIM India Global Select Real Estate Securities FoF) provides investors with exposure across the U.S., European, and Asia Pacific real estate markets among other regions, to find potential opportunities around the world.

### Benefits of investing in Global Real Estate FoF, for Indian investors

-  **Unique global opportunities, not available in India** – Global Real Estate represents opportunities in various sub-sectors, which are either not available in India or it lacks the global scale and depth. Senior Living, Grade A Offices, Logistics, Cold Storage Facilities, Warehousing, Data Centres, Healthcare, Last Mile Retail, Urban Apartments, Self Storage etc are some examples.
-  **Potential Inflation Hedge** - Real Asset whose value tends to increase as replacement cost increases over long term. Income generated for REITs has outpaced inflation in 39 out of the past 41 years<sup>^</sup>.
-  **Access to small ticket size** - Apart from physical real estate (primarily residential) most retail investors in India do not have too many options to participate in the upside that real estate as a sector has to offer. A ticket size as small as ₹ 5,000/- in a FoF structure makes participation in real estate more affordable as well.
-  **Dual source of Alpha** - Participation through a REIT structure can offer potentially higher income opportunities. In addition, listed REITs can provide capital appreciation opportunities also, over the long-term. In the last 20 years, 40% of the performance has been through Income for listed REITs\*.
-  **Diversification** - Provides diversification beyond the traditional stock/bond combine. Global Real Estate FoF portfolio can provide additional geographical diversification benefit as well. Real estate forms the third largest component of portfolios in developed markets at 14%<sup>^</sup> whereas it is negligible in the Indian context.

**A Globally Diversified Real Estate Fund is a standalone asset class in itself, due to its unique characteristics. It has the potential to augment the risk-return profile, when combined with a traditional stock/bond portfolio, over the long term**

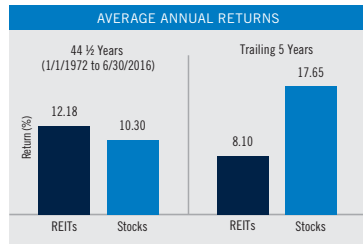
# The Real Estate Investment Opportunity\*

A fund investing in globally diversified Real Estate across the world offers the following advantages, which can be particularly attractive in the current investing environment of rising inflation, low income, and economic re-opening:

## 1. Ready for Reversion Sparked by Higher Inflation

### A) Reversion to the mean

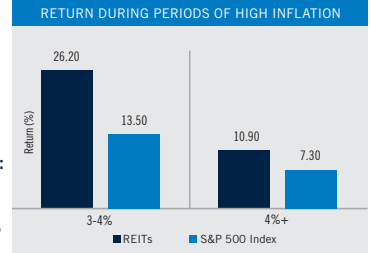
- For the first 44 ½ years of the FTSE NAREIT All Equity REIT Index, REITs outperformed the S&P 500 index by nearly 2% per year.
- Over the past 5 years however, the FTSE NAREIT All Equity REITs index has underperformed S&P 500 index by 9.55% per year.
- Should returns revert to the mean, REITs could potentially outperform stocks going forward.



(Source: Morningstar, FTSE NAREIT, Standard & Poor's. Analysis as of June-30-2021)

### B) Relative Outperformance over stocks during periods of high inflation

- REITs have outperformed stocks significantly during periods of elevated inflation:
  - 3-4% inflation: REITs have outperformed stocks by 12.7% annualized.
  - 4%+ inflation: REITs outperformed stocks by 3.6% annualized.
- Inflation is currently elevated at 5.4%, an environment in which REITs have historically outperformed<sup>1</sup>.

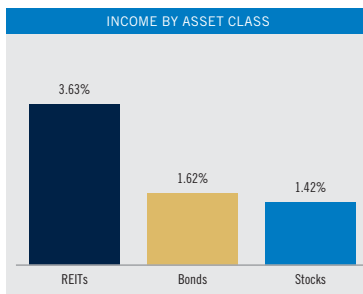


Source: QMA, FTSE NAREIT, Standard & Poor's. Analysis based on returns from 1973-2020. Inflation ranges are created using YoY inflation of Consumer Price Index, measured at quarterly frequency. <sup>1</sup>Seasonally Adjusted Consumer Price Index from the Bureau of Labor Statistics as of July 2021. Past Performance is not indicative of future returns.

## 2. High Income that has Outpaced Inflation

### A) REITs offer higher income than stocks and bonds

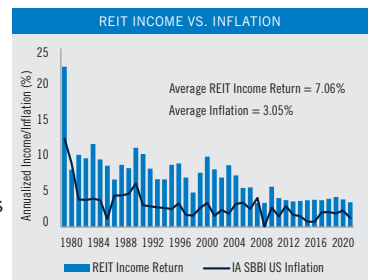
- REITs have historically been a good source of income versus stocks and bonds for investors who are looking for income in today's low-yield environment.



Source: Bloomberg, S&P, and FTSE as of 3/31/2021. Dividend yield shown for REITs and S&P 500 Index. Yield to maturity shown for Bonds. REITs represented by the FTSE EPRA/NAREIT Developed Index. Bonds represented by Bloomberg Barclays U.S. Aggregate Bond Index. Stocks represented by the S&P 500 Index.

### B) REIT income has outpaced inflation

- Income generated from REITs has outpaced inflation in 39 out of the past 41 years.
- Real estate rents and values tend to increase when prices do, as many leases are tied to inflation. This helps support REIT dividend growth and provides a reliable stream of income during inflationary periods.



Source: NAREIT, Morning star, as of 12/31/20. Calculated by PGIM Investments using data presented in Morningstar software products. All rights reserved. Used with permission. Most recent data available.

## 3. PGIM Real Estate: Amongst The Top 2 Global Real Estate Investment Managers<sup>^</sup>

### Access to Vast Global Resources Led by an Experienced Team of Managers

**Global Presence** - PGIM Real Estate has approximately 581 investment professionals in 32 offices on 4 continents - an infrastructure that has been built over a period of more than 50 years<sup>1</sup>.

**Private Market Expertise** - PGIM Real Estate manages approximately 4403 properties around the world<sup>1</sup>. Since a majority of commercial real estate is privately owned, we believe the experience as an owner and manager of private real estate assets can be an advantage when managing real estate stock portfolios.

**Institutional Heritage** - More than 500 institutional clients<sup>1</sup>.

### Portfolio Management Team



**Rick Romano, CFA**  
30 years of experience



**Daniel Cooney, CFA**  
17 years of experience



**Kwok Wing Cheong, CFA**  
30 years of experience



**Michael Gallagher**  
23 years of experience



**Alvin Chan**  
15 years of experience

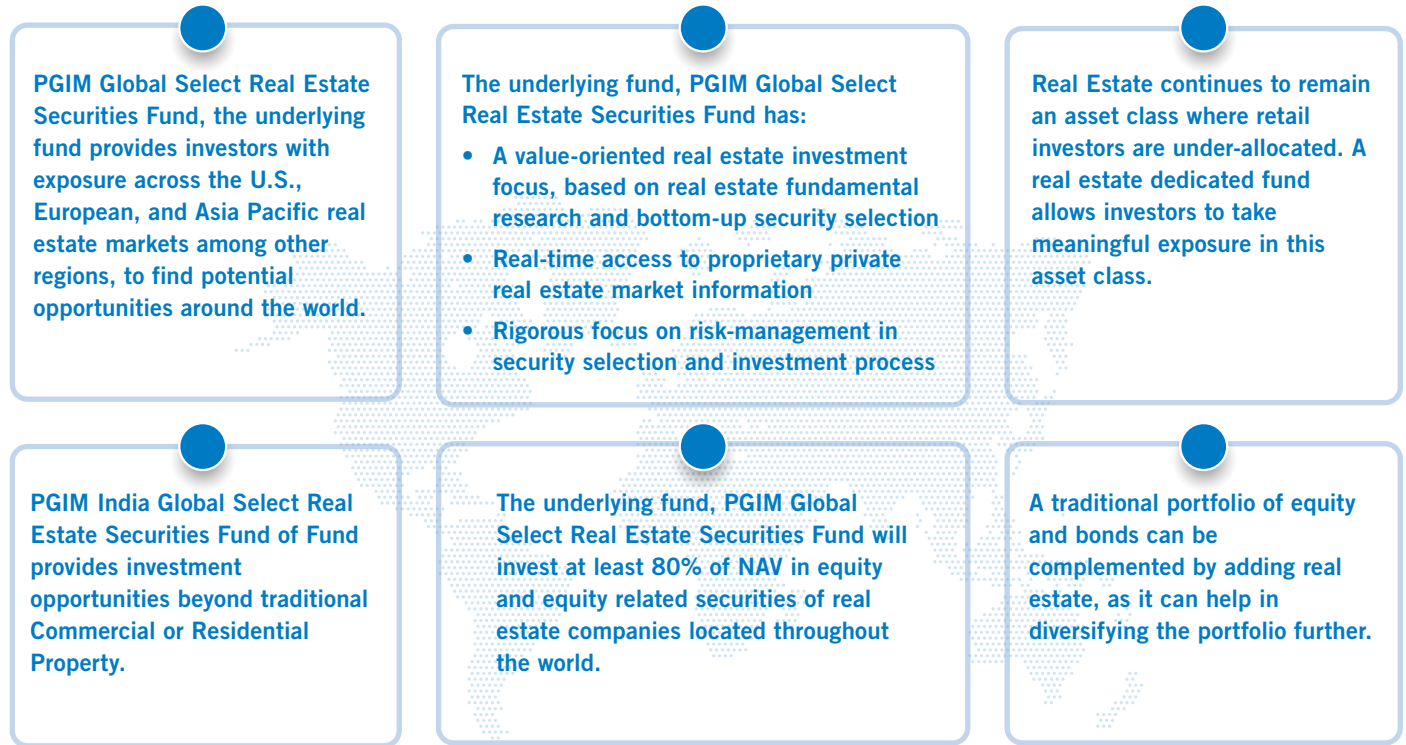


**Samit Parikh**  
15 years of experience

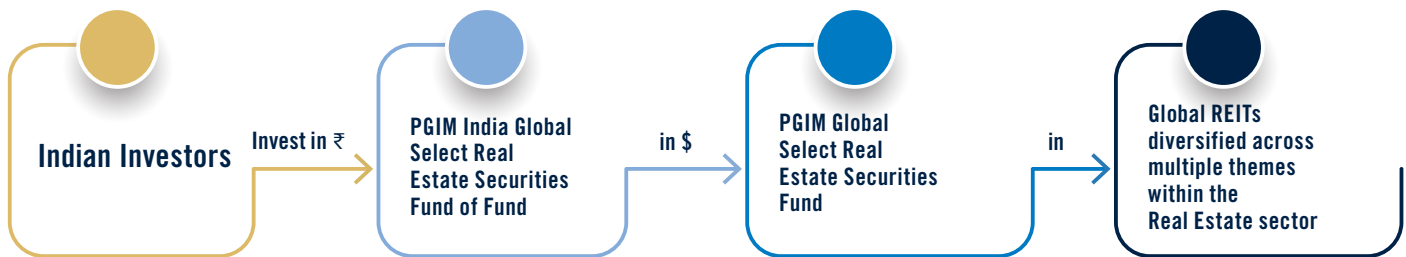
\*Source: PGIM Real Estate: The Real Estate Investment Opportunity. <sup>^</sup>Source: Pension & Investments' annual real estate manager survey as of October 2020. <sup>1</sup>As of 3/31/2021.

## Why invest in PGIM India Global Select Real Estate Securities FoF?

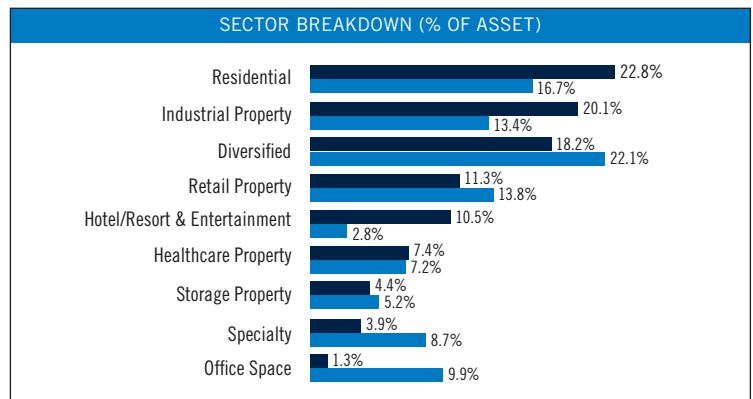
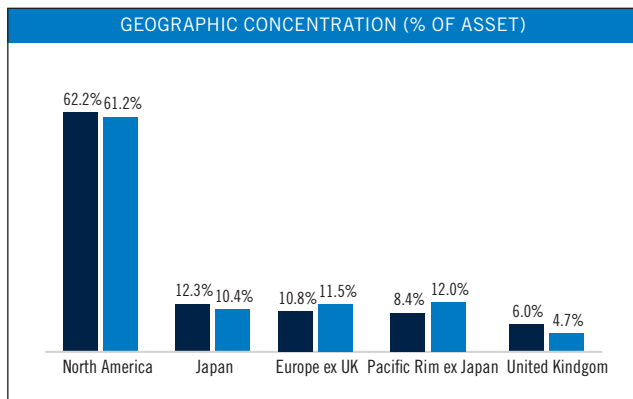
Globally, real estate as an asset class and as an investment, has undergone a shift during the pandemic. As economies across the world reopen, properties such as hotels, assisted living facilities and restaurants should benefit from pent-up demand. The pandemic has accelerated trends already underway such as Cloud Computing, Remote Schooling, Remote Working, e-Commerce, Last Mile Retail etc, thus expanding growth opportunities for real estate. Recovering markets create the potential for revenue generation and value appreciation.



The underlying fund will invest in developed and emerging markets without particular focus on any one geographical location. As on September 30, 2021, the exposure towards North America is 62.2%, Europe Ex UK is 10.8% and United Kingdom is about 6%.



## Portfolio Allocations: PGIM Global Select Real Estate Securities Fund



■ Fund ■ Benchmark

## Features of PGIM India Global Select Real Estate Securities Fund of Fund

**Underlying fund:** PGIM Global Select Real Estate Securities Fund.

**Investment Objective:** The primary investment objective of the Scheme is to generate long term capital appreciation from investing in the units of PGIM Global Select Real Estate Securities Fund, which primarily invests in REITs and equity and equity related securities of real estate companies located throughout the world. However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.

**Investment Strategy:** The scheme will invest in units of PGIM Global Select Real Estate Securities Fund (the underlying fund).

**Asset Allocation:** The asset allocation under the Scheme, under normal circumstances, will be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High/Medium/Low
Units/securities issued by PGIM Global Select Real Estate Securities Fund, domiciled in Ireland	95%	100%	Medium to High
Debt Instruments including Government Securities, Corporate Debt, Money Market Instruments, (including cash and units of mutual funds)	0%	5%	Low to High

### Key Features:

#### Exit Load:

- 10% of the units allotted may be redeemed/switched-out to debt schemes/PGIM India Arbitrage Fund without any exit load within 90 days from the date of allotment.
- Any redemptions/switch-outs in excess of the above mentioned limit would be subject to an exit load of 0.50%, if the units are redeemed/switched-out to debt schemes/PGIM India Arbitrage Fund within 90 days from the date of allotment of units.
- Nil - If the units are redeemed/switched-out after 90 days from the date of allotment of units.
- No exit load will be charged for switches and STP between any open-ended equity scheme, hybrid scheme (except PGIM India Arbitrage Fund) and fund of funds scheme.

#### Minimum Application Amount:

₹5000 and in multiples of ₹1 thereafter.

#### Plans:

Regular and Direct.

#### Options:

Growth and Income Distribution cum Capital Withdrawal in each plan.

#### Dividend Sub Options:

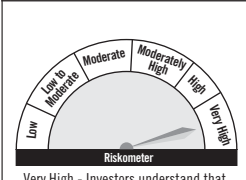
- Payout of Income Distribution cum Capital Withdrawal facility (IDCW-Payout).
- Reinvestment of Income Distribution cum Capital Withdrawal facility (IDCW - Reinvestment).

## About Us:

PGIM India Mutual Fund is a wholly owned business of PGIM, one of the top 10 investment managers globally\* and the global investment management business of the US based Prudential Financial, Inc. (PFI). PGIM India Mutual Fund offers a broad range of equity and fixed income solutions to retail and institutional investors throughout the country. We manage 22 open-ended funds operated by 14 investment professionals. In addition to managing our investors' assets through domestic Mutual Funds, we also offer Offshore Funds and Portfolio Management Services. The fund house leverages the strength and stability of PGIM's 140-year legacy to build on its decade-long history in India.

Source: pgim.com \*All information as of June 30, 2021. PGIM is the investment management business of Prudential Financial, Inc. (PFI); PFI is the 10th largest investment manager (out of 477 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on May 31, 2021. This ranking represents global assets under management by PFI as of December 31, 2020. Investors will bear the recurring expenses of the scheme, in addition to the expenses of the underlying scheme. The information contained herein is provided by PGIM India Asset Management Private Limited (the AMC) on the basis of publicly available information, internally developed data and other third party sources believed to be reliable. However, the AMC cannot guarantee the accuracy of such information,

This product is suitable for investors who are seeking\*



- Capital appreciation over a longer term.
- Investment in units of overseas mutual funds that invest in equity and equity related securities of real estate companies located throughout the world.
- Degree of risk – VERY HIGH

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

The Product labeling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when actual investments are made.

**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**

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