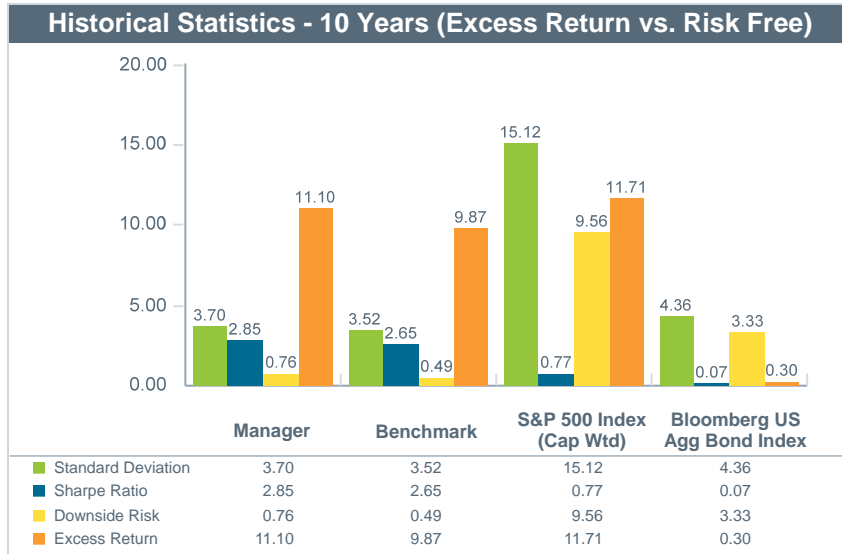


**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
Thursday, February 2, 2023, at 12:30 PM  
City Hall Conference Room 3C**

**AGENDA**

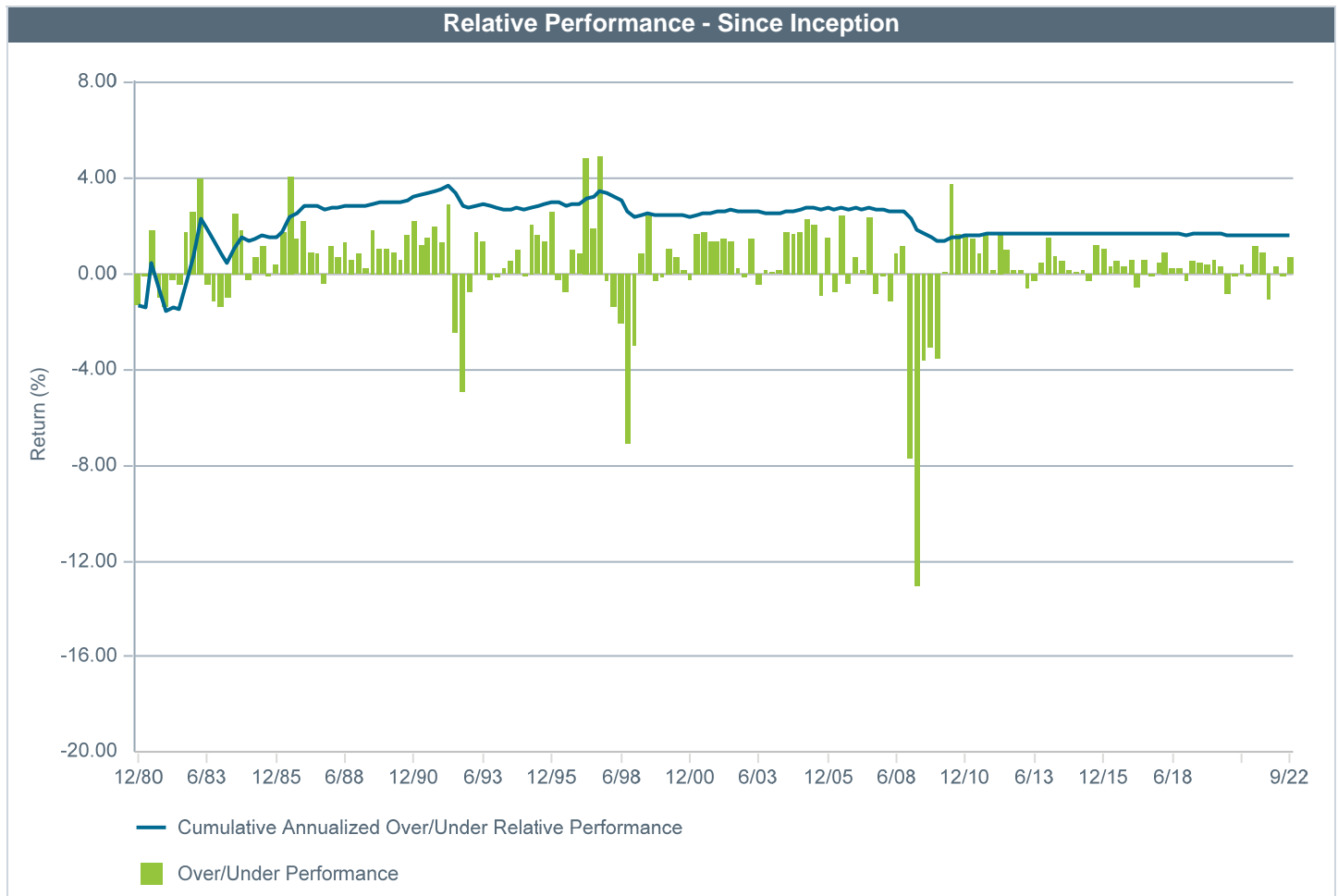
- 1. CALL TO ORDER**
- 2. PUBLIC COMMENT**
- 3. INVESTMENT AND FINANCIAL MATTERS**
  - a. PGIM – Real Estate
- 4. INFORMATION**
  - a. Large Cap Value finalist presentation scheduled for Thursday, February 16, 2023, at 1 PM
  - b. Next regular BOT meeting scheduled for Thursday, February 23, 2023, at 2 PM
  - c. Investment discussion with MetLife scheduled for Thursday, March 2, 2023, at 12:30 PM
- 5. PRIVILEGE OF THE FLOOR**
- 6. ADJOURNMENT**

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	1.25	21.87	13.25	11.41	11.11	12.24	23.30	1.03	7.52	9.48	8.06
Benchmark	0.52	22.09	12.37	10.24	9.85	10.92	22.17	1.19	5.34	8.35	7.62
Difference	0.73	-0.22	0.88	1.17	1.26	1.32	1.13	-0.16	2.18	1.13	0.44



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.95
S&P 500 Index (Cap Wtd)	-0.21
Russell 2000 Index	-0.29
MSCI EAFE Index (USD) (Net)	-0.21
MSCI Emg Mkts Index (USD) (Net)	-0.37
Bloomberg US Agg Bond Index	-0.37
Bloomberg US Trsy US TIPS Index	-0.26
Wilshire US REIT Index	0.02
HFRI FOF Comp Index	-0.29
Bloomberg Cmnty Index (TR)	0.15
ICE BofAML 3 Mo US T-Bill Index	-0.40
Cons Price Index (Unadjusted)	0.36



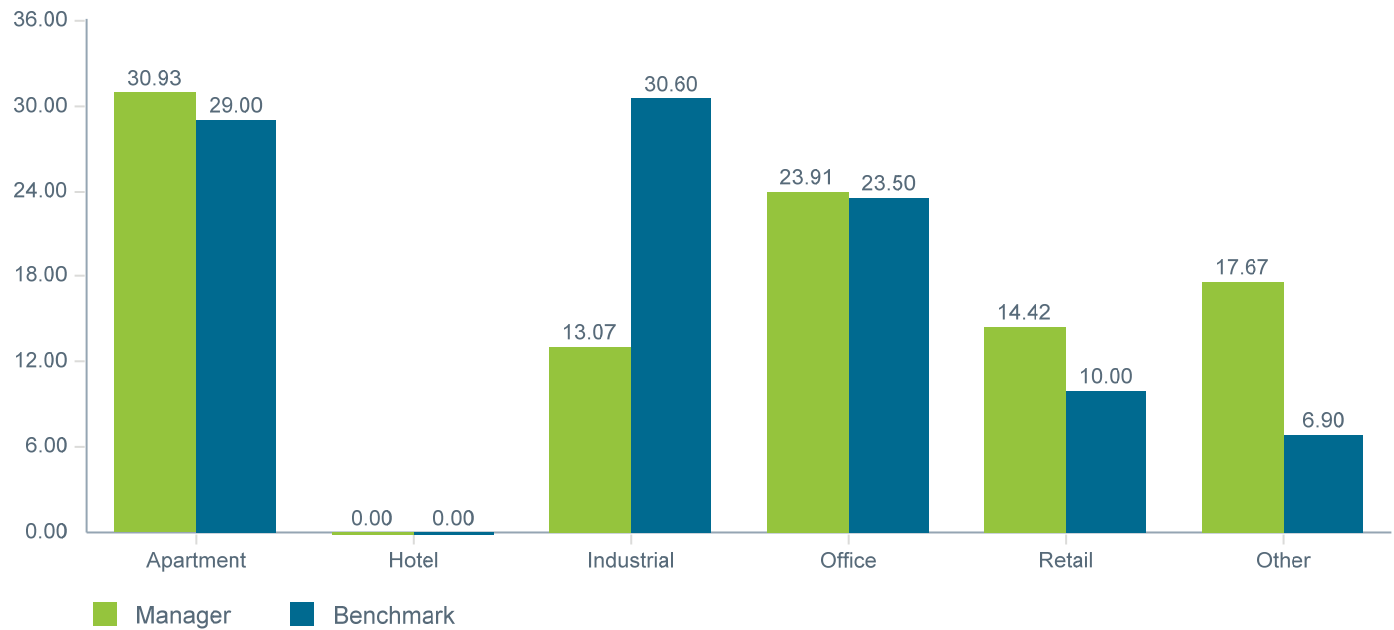
**Investment Strategy**

The Fund pursues a diversified core-plus real estate strategy that seeks to outperform the NCREIF ODCE Index by 100 basis points over a complete market cycle by structuring investments to enhance risk-adjusted returns. Investments may be made through direct property ownership or indirectly through such vehicles as joint ventures, general or limited partnerships, limited liability companies, mortgage loans and other loan types, including mezzanine debt, and debt secured by an interest in the borrowing entity or interests in companies or entities that directly or indirectly hold real estate or real estate interests. It operates with a leverage limit of 40% and may invest up to 35% of its gross assets in higher-risk, non-core real estate investment opportunities.

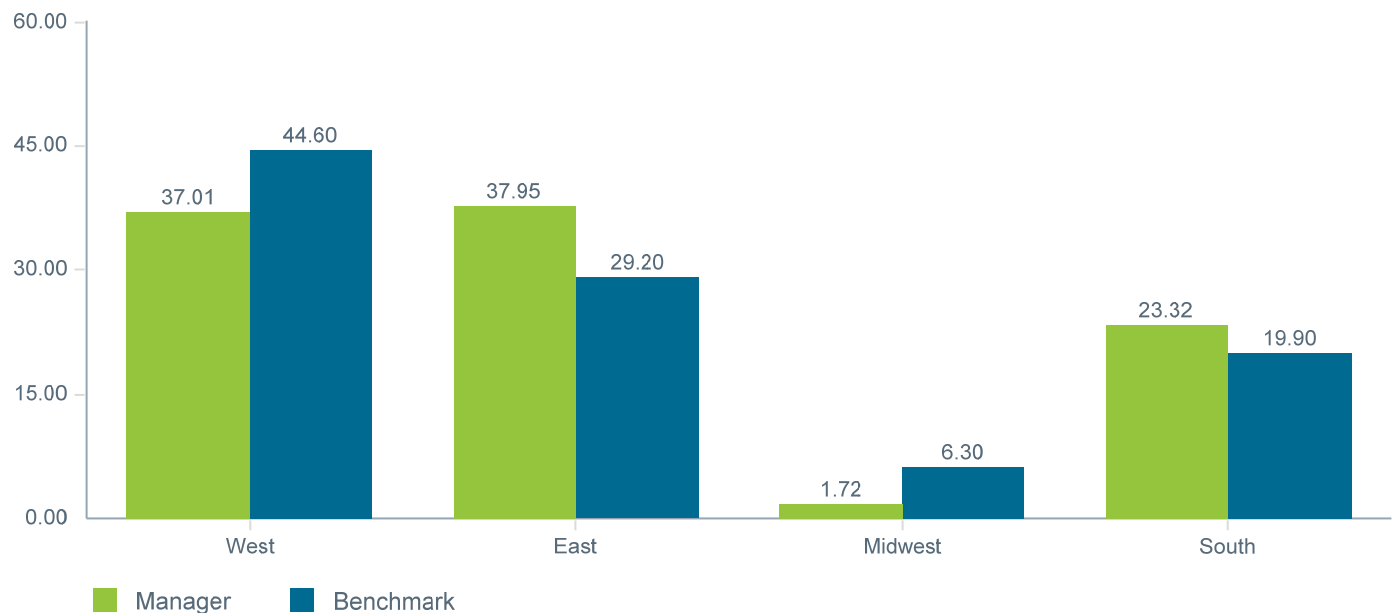
**Investment Profile**

Fund Inception	1980
Legal Structure	REIT
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	17,890
Fund Leverage %	32.06
Portfolio Occupancy %	90.75
Cash Reserve %	4.35
Number of Investments	161
Number of Limited Partners	112

**Property Type Allocation (%)**



**Geographic Allocation (%)**



Performance shown is gross of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Manager allocation to "Other" consists of land, student housing, self-storage, and life science/lab space. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.



# PRISA II

---

## City of Jacksonville Retirement System

February 2, 2023

For Professional Investors only. All investments involve risk, including the possible loss of capital.

# Table of Contents

## Presenters and Agenda

- 1 **PGIM Real Estate Overview**
- 2 **PRISA II Overview**
- 3 **Appendix**

### PGIM REAL ESTATE REPRESENTATIVES



**MATTHEW MEYERS**  
PRISA II Assistant Portfolio  
Manager



**KEVIN P. SMITH**  
Business Development

# **PGIM REAL ESTATE OVERVIEW**

# **01**

# Why PGIM Real Estate?

We believe our distinct advantages for clients include:

---

TRUSTED

## EXPERTISE

- Deep knowledge of local real estate equity and debt markets
- 50+ years of proprietary data and research informing our investment decisions

---

UNRIVALED

## ACCESS

- Global platform with tenured teams in 35 cities
- Enhanced sourcing, structuring and development capabilities

---

STRONG<sup>1</sup>

## PERFORMANCE

Track record of excellence backed by:

- Rigorous risk management
- Best-in-class service
- Highly selective investment process

---

ACTIVE

## ESG APPROACH

- Integrating a robust firm-wide ESG policy to achieve better results for all stakeholders across investment, asset, risk & talent management
- Commitment to Net Zero by 2050<sup>2</sup>



# WE'RE PGIM REAL ESTATE

(2 mins)



Past performance is not a guarantee or a reliable indicator of future results.

1. As of 12/31/2021, 98% of benchmarked open-end funds outperformed their benchmark on a 10-year time period based on NAV, and 91% of open-end and marketed closed-end funds are exceeding targets on a 10-year time period based on NAV. Note: No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.
2. PGIM Real Estate is committed to the Urban Land Institute's (ULI) Greenprint Center for Building Performance Net Zero Carbon Goal to become Net Zero by 2050 for our global portfolio of managed properties.

# At-A-Glance

## 50+ Years

Real Estate Investment Experience

## 1,100+

Professionals across 35 cities worldwide

## Net Zero

By 2050<sup>3</sup>

## Top 10

Commercial Real Estate Lender<sup>5</sup>

## \$204B

AUM/ AUA<sup>1</sup>

## 5,900+

Owned and Financed Properties<sup>2</sup>

## Top 3

Global Real Estate Investment Manager<sup>4</sup>

## #2

Capital Raised for Debt Strategies<sup>6</sup>

**Past performance is not a guarantee or a reliable indicator of future results.**

Note: Cities listed represent PGIM Real Estate’s global presence for debt and equity professionals as of 9/30/22. All other data as of 9/30/22 and refers to PGIM Real Estate globally unless otherwise noted.

1. Gross AUM/AUA; net AUM is \$133B and AUA is \$47B.
2. Does not include properties where we service a loan only.
3. PGIM Real Estate is committed to the Urban Land Institute’s (ULI) Greenprint Center for Building Performance Net Zero Carbon Goal to become Net Zero by 2050 for our global portfolio of managed properties.
4. PGIM Real Estate is the third largest real estate investment manager (out of 77 firms surveyed) in terms of global real estate assets under management based on ‘Pensions & Investments’ Top Real Estate Managers list published October 2022. This ranking represents global real estate assets under management by PGIM Real Estate as of 6/30/22. Participation in the ranking is voluntary and no compensation is required to participate in the ranking.
5. PGIM Real Estate is the tenth largest commercial real estate lender (out of 126 firms surveyed) in terms of production based on the 2021 Mortgage Bankers Association Annual U.S. Origination Rankings published in February 2022. This ranking represents originations production volume from 1/1/21-12/31/21. Participation in the ranking is voluntary and no compensation is required to participate in the ranking.
6. PGIM Real Estate is ranked second out of 50 firms published in PERE’s Real Estate Debt 50 third party capital raised survey published in May 2022. This ranking represents third party capital raised for real estate debt strategies from 1/1/17-12/31/21. Participation in the ranking is voluntary and no compensation is required to participate in the ranking.

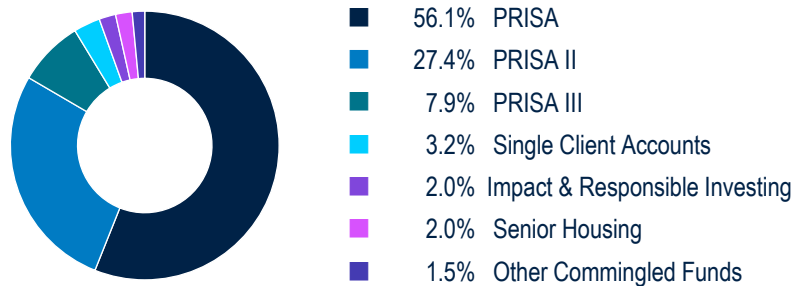


# U.S. Equity Investment Platform

## Resources and Experience



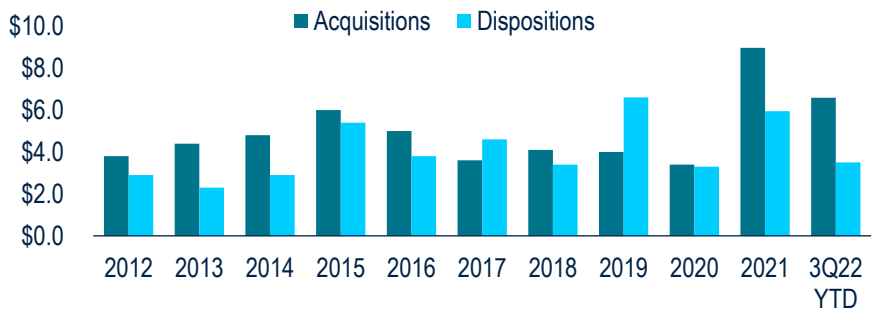
## Distribution by Fund (Based on AUM)<sup>1</sup>



## Cities



## U.S. Transaction History (\$ Billions)<sup>3</sup>



Past performance is not a guarantee of future results.

Note: As of September 30, 2022, unless otherwise noted. Percentages may not sum to 100% due to rounding. <sup>1</sup> Net U.S. Equity AUM equals \$49 billion; note this does not include PGIM Real Estate debt assets and does not include GRES AUM/AUA. <sup>2</sup> Allocated full-time employees. <sup>3</sup> Includes closed acquisitions and closed dispositions data in the U.S., excluding debt strategies

# ESG by the Numbers

## Global figures as of 12/31/21

unless otherwise noted

**1,403**

Of 1,579 owned properties tracked in Measurabl<sup>®1</sup> environmental dashboard

**23**

PGIM Real Estate funds/properties submitted for 2022 GRESB<sup>2</sup> assessment

**320**

Total green building certifications<sup>3</sup> across 212 certified properties

**21**

Fitwel<sup>®4</sup> certifications, of which 11 were newly earned in 2021

**-9.0%**

Reduction, energy use intensity, measured from 2017 to 2021

**58%**

Workforce diversity (women + POC, U.S.)

**6,800+**

Employee volunteer hours, U.S. <sup>5</sup> (2019-2021)

### Past performance is not a guarantee of future performance.

1. Measurabl is the data management provider of choice for PGIM Real Estate. Measurabl collects and tracks the data for 13B square feet of commercial real estate across 90 countries as of 6/30/22.
2. GRESB is an independent rating agency. Participation is voluntary and administration fees were paid by PGIM Real Estate's various funds for this submission, which is a volume-based fee for all submitters and is required to participate in the ranking. For more information, please visit <https://www.gresb.com/nl-en/>.
3. Total internationally recognized certifications. A certificate is independently verified recognition that a property has received a green building rating. Participation in the green building rating is voluntary and each property pays prevailing market fees to participate in green building certification programs.
4. Fitwel<sup>®</sup> certifications are valid for 3 years and designates properties with a numerical score and star rating out of 3. Participation is voluntary and properties pay individually for certification.
5. Includes hours tracked by employees via PruCares and excludes additional time spent by PGIM Real Estate employees at planned community engagement events.

# ESG by the Numbers: GRESB

## Highlights from most recent assessment \*

### GRESB Management & Performance

21 funds/properties submitted for assessment

**1<sup>st</sup> Place**

Amongst Peers:  
Three funds/ properties

**11 of 15**

Returning funds/  
properties increased or  
maintained Management &  
Performance scores

**5-Star**

Ratings for two  
funds/ properties

**4-Star**

Ratings for seven  
funds/ properties

### GRESB Management & Development

11 funds/properties submitted for assessment

**1<sup>st</sup> Place**

Amongst Peers:  
Four funds/ properties

**8 of 8**

Returning funds/  
properties increased or  
maintained Management &  
Development scores

**5-Star**

Management &  
Performance Ratings:  
Three funds/ properties

**4-Star**

Rating for one  
fund/ property

\* PGIM Real Estate submitted 23 total funds/properties for GRESB evaluation in 2022, of which 2 were submitted for Management only and 21 for Management & Performance; 11 of the 21 were also submitted for Management & Development. The GRESB ratings published in October 2022 represent AUM as of December 31, 2021 which was submitted for assessment in July 2022. Participation is voluntary and administration fees were paid by PGIM Real Estate's various funds for this submission, which is a volume-based fee for all submitters and is required to participate in the ranking. GRESB ranks 1,100 property companies and funds on behalf of its investor members across the globe. GRESB scores allow for comparison within a specific year against global GRESB universe as well as defined peer groups by rating the fund out of 5 stars. For more information, please visit <https://www.gresb.com/nl-en/>.

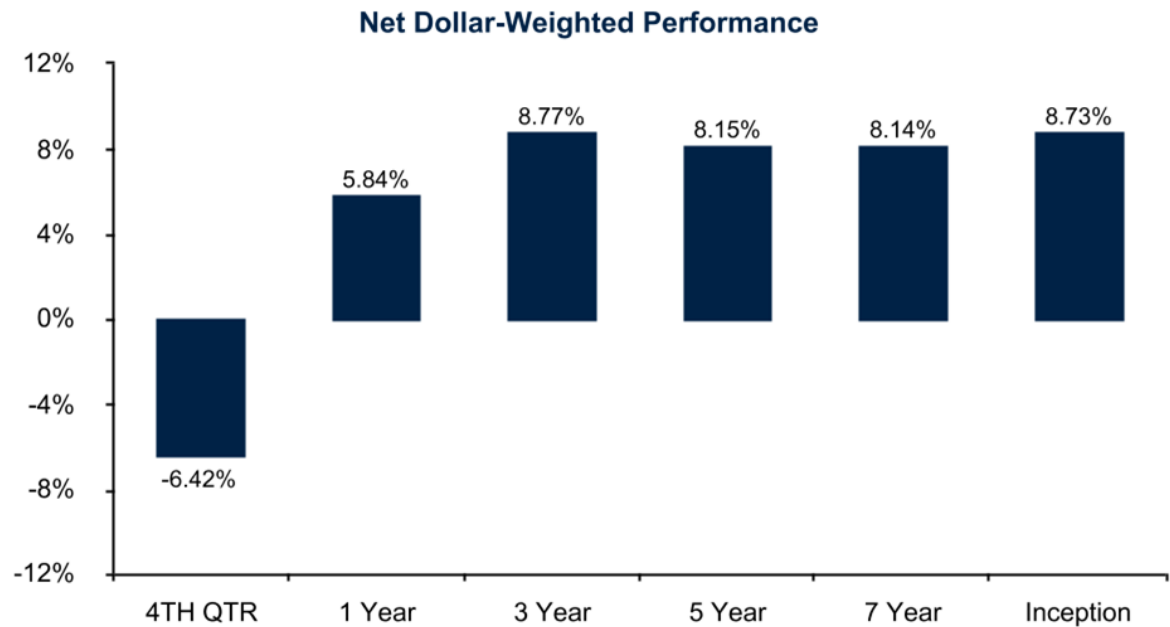
# PRISA II OVERVIEW

# 02

# City of Jacksonville Retirement System

PRISA II SA Assets as of December 31, 2022

Investment Details	
<b>Contributions (12/31/2014 Inception Date)</b>	
All Previous	\$24,429,967
12/31/2015	\$5,537,459
06/30/2016	\$10,032,574
<b>TOTAL CONTRIBUTIONS</b>	<b>\$40,000,000</b>
<b>Investment Earnings</b>	
Investment Income	\$16,472,730
Appreciation	\$22,553,842
<b>TOTAL INVESTMENT EARNINGS</b>	<b>\$39,026,572</b>
<b>Disbursements</b>	
Withdrawals	\$0
Deducted Fees	(\$4,675,553)
Cash Flow Distributions	\$0
<b>TOTAL DISBURSEMENTS</b>	<b>(\$4,675,553)</b>
<b>Market Value</b>	<b>\$74,351,019</b>



Operating Cash Flow		Capital Commitments	
Total Distributed	\$0	Undrawn Commitments	\$0
Total Reinvested	\$12,802,150		
Current Election	Reinvesting		
Current Cash Flow	\$507,564		

Note: Past performance is not a guarantee or reliable indicator of future results. Numbers are rounded to the nearest dollar.

# PRISA II's Team and Platform Resources

Experienced Team with Deep Platform

## PRISA II's Portfolio Management Team



**DARIN BRIGHT**

Managing Director  
Senior Portfolio  
Manager  
RE Experience: 32



**JUSTIN GLEASON**

Managing Director  
Portfolio Manager  
RE Experience: 21



**CAITLIN O'CONNOR**

Executive Director  
Portfolio Manager  
RE Experience: 18



**MATTHEW MEYERS**

Vice President  
Assistant Portfolio  
Manager  
RE Experience: 12



**MATTHEW KERR**

Executive Director  
Portfolio Analytics  
RE Experience: 19



**AMANDA BODINE**

Associate  
Portfolio Analytics  
RE Experience: 6

## INVESTMENT RESOURCES<sup>1</sup>

**95**

Asset Management<sup>2</sup>

**59**

Transactions<sup>2</sup>

**13**

Research

**Additional Resources:** Portfolio Analytics, Risk & Compliance, Investment Committee, Advisory Councils, Client Services, Fund Operations

<sup>1</sup> Investment Professionals headcount as of September 30, 2022. <sup>2</sup> These figures represent U.S. Real Estate Equity.

PRISA II

# Delivering Income and Growth for more than 40 Years

Core Plus Returns Through a Manufacture to Core Strategy



**Wayfarer**  
Marina del Rey, CA

<p><b>1980</b></p> <p>1st Core Plus U.S. Open-end Real Estate Fund</p>	<p><b>\$18B GAV</b></p> <p>\$10B NAV Investing in Scale</p>	<p><b>Return Target</b></p> <p>9-12% Gross 8-11% Net</p>	<p><b>11.3%</b></p> <p>10yr Gross Return 10.2% Net Return</p>	<p><b>Flat Fee</b></p> <p>NAV Based</p>
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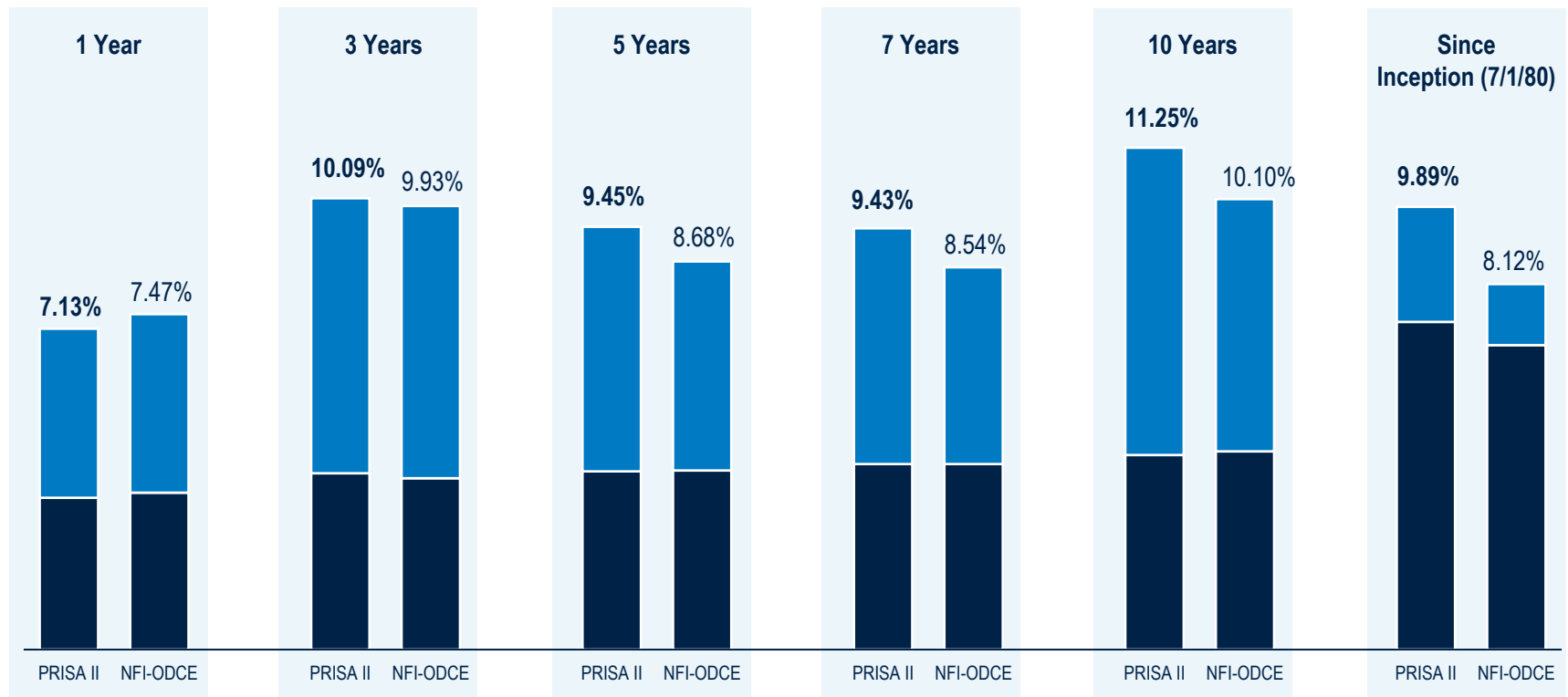
**Target returns are not guaranteed. Past performance is not a guarantee or reliable indicator of future results**

Note: As of December 31, 2022.

REF: 004749

# Track Record of Delivering Performance

PRISA II Composite Gross Returns vs. NFI-ODCE Gross Returns<sup>1</sup>



NFI-ODCE Spread **-34 bps**

**+16 bps**

**+77 bps**

**+89 bps**

**+115 bps**

**+177 bps**

■ Income ■ Appreciation

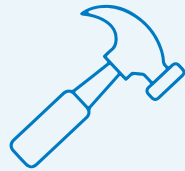
<sup>1</sup> Returns for periods prior to January 1, 2018 are based upon PRISA II SA only.

Note: Returns shown are time-weighted rates of return calculated in conformity with performance reporting standards and are before the deduction of Manager Compensation/Fees. Returns for NFI-ODCE are based on the preliminary report published by NCREIF on January 13, 2023. **Past performance is not a guarantee or a reliable indicator of future results.** As of December 31, 2022.



# PRISA II's Core Plus Real Estate Strategy

Actively Managed Real Estate Exposure



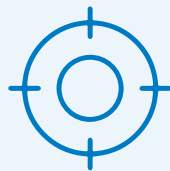
## Manufactured Core

Primary Entry Point Through  
Value-Add Investments



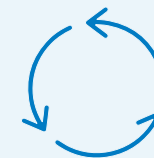
## Low Leverage

< 40%



## Broad Geographic Target

Primary + Secondary  
Urban + Suburban  
Alternative Property Types



## Active Seller

3-7 Year Typical Hold

# PRISA II Profile

As of December 31, 2022

Culver City, CA

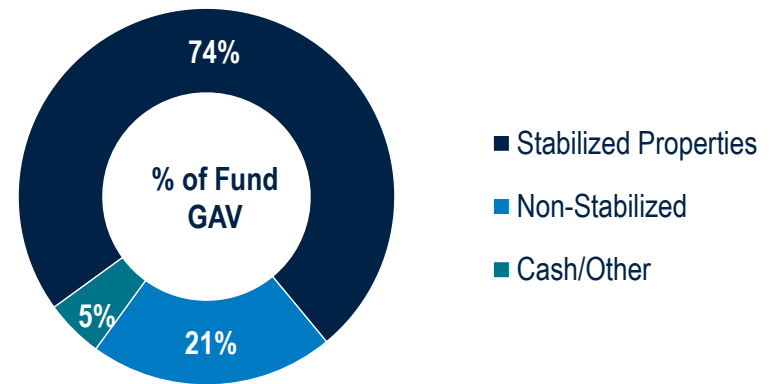


## Financial Highlights

Gross Assets	\$17.5B
Net Assets	\$10.5B
Leverage Ratio	34.2%
Cash	\$204.9M

## Trailing Twelve Months Transaction Activity

Acquisitions	\$2.1B
Dispositions	\$993M



### Stabilized Portfolio:

- 94% leased
- 90% of total Fund NOI

### Non-Stabilized Portfolio:

- Future growth potential
- Housing and logistics focused development pipeline

<sup>1</sup> Based on PRISA II's share of gross market value. Non-Stabilized assets are less than 75% leased.  
 Note: Property image featured for illustrative purposes only.

# PRISA II Portfolio Construction

## Diverse Asset Exposure



**Residential – 30%**



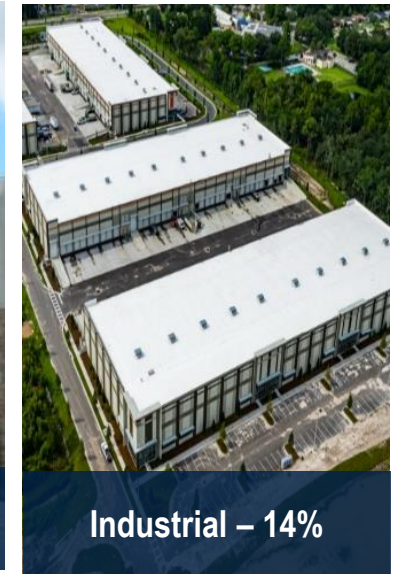
**Office – 23%**



**Alternatives – 15%**



**Retail – 14%**



**Industrial – 14%**

Target Weighting	<b>30%-35%</b>
% Leased	<b>94%</b>

- Demographic themes
  - Housing shortage
- Development focused strategy (Avg age ~5 yrs<sup>1</sup>)

Target Weighting	<b>15%-20%</b>
% Leased	<b>82%</b>

- Corporate credit exposure
- Tactical Opportunities
  - Selective “Next-Gen” Development

Target Weighting	<b>15%-20%</b>
% Leased	<b>91%</b>

- Storage, Student & Lab
- Demographically driven

Target Weighting	<b>10%-15%</b>
% Leased	<b>91%</b>

- Necessity spending bias
- Lower volatility income

Target Weighting	<b>20%-25%</b>
% Leased	<b>98%</b>

- Embedded growth
- E-commerce demand
- Lower capex

**The composition of the portfolio involves risk and cannot be guaranteed.**

<sup>1</sup> Excluding 6 workforce housing assets.

Note: The above information and the images represent properties that PRISA II is currently invested in as of 12/31/22 that is representative of the sector for illustrative purposes only.

# Strategic Markets

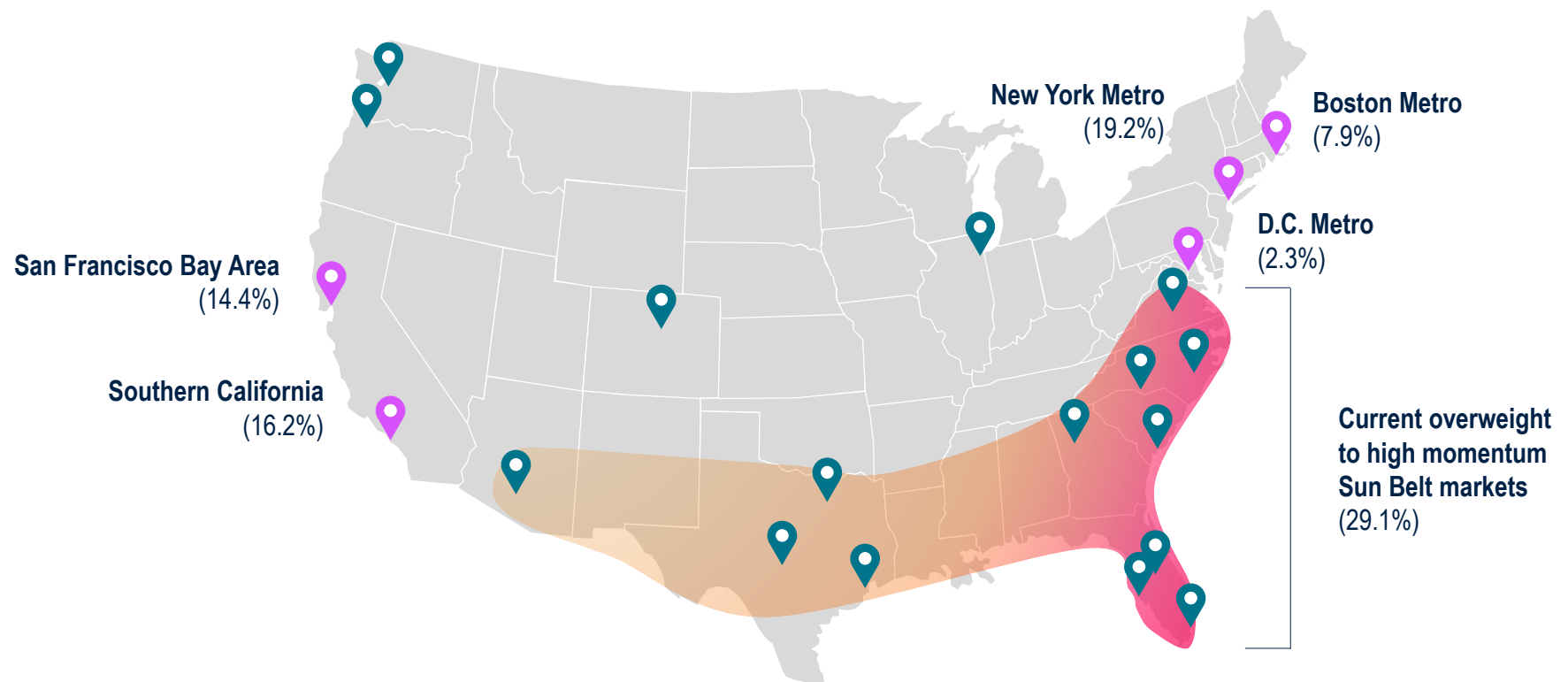
## Urban & Suburban Exposure to Major Population Centers



Long-Term Strategic Markets



Other PRISA II Investments

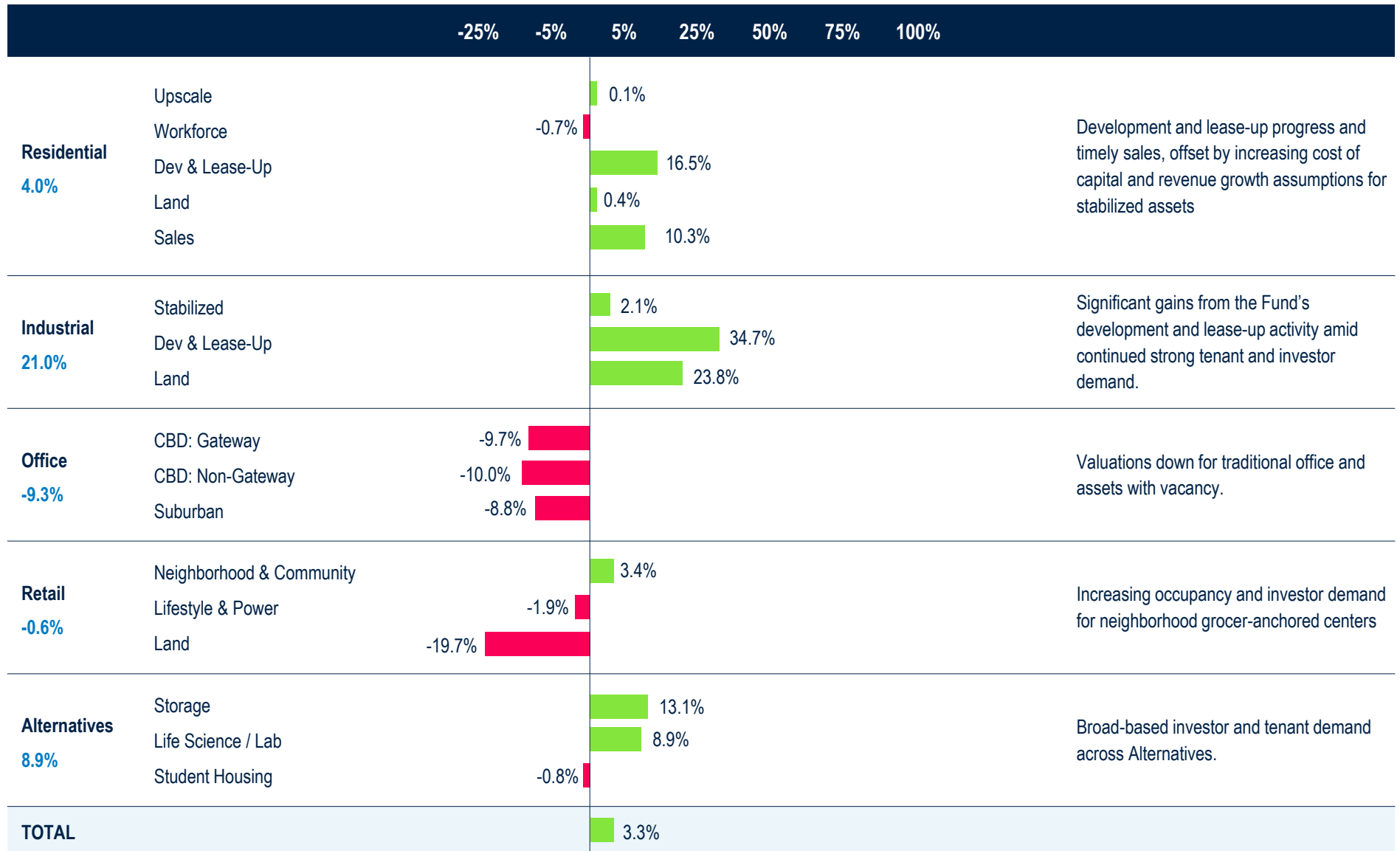


Note: As of December 31, 2022.

REF: 004749

# TTM Value Changes

As of December 31, 2022



Past performance is not a guarantee or a reliable indicator of future results.

# PRISA II 1-YR Income Attribution

## Residential

- Increased leasing across the sector coupled with strong, but moderating, rent growth particularly at Sunbelt garden style assets.

## Industrial

- Successful leasing activity at several assets offset by a vacating tenant at a cold storage property.

## Office

- Lower occupancy across the sector partially offset by contractual rent increases and expiration of free rent at several suburban properties.

## Retail

- Higher occupancy and rent growth offset by deferred rent collections in prior year at lifestyle properties.

## Alternatives

- Rent growth within storage coupled with rent and occupancy growth at Redwood LIFE in Bay Area as the tenancy rolls from office to life science users.

**Arbor Glen**  
Lakeland, FL



REF: 004749

COMPARABLE NOI BY PROPERTY TYPE <sup>1</sup>	TTM 12/31/21 ACTUAL	TTM 12/31/22 ACTUAL	TTM % CHANGE
<b>RESIDENTIAL</b>	<b>\$118.8</b>	<b>\$139.1</b>	<b>17.1%</b>
High-Rise Upscale	35.9	41.1	14.5%
Mid-Rise Upscale	37.0	42.6	15.2%
Middle Market	3.1	4.2	34.3%
Workforce	20.1	22.1	10.2%
Non-Stabilized	22.8	29.2	27.9%
<b>INDUSTRIAL</b>	<b>\$17.3</b>	<b>\$18.9</b>	<b>9.3%</b>
Stabilized	16.1	10.5	-34.6%
Non-Stabilized	1.2	8.4	581.0%
<b>LAND</b>	<b>(\$0.4)</b>	<b>(\$0.1)</b>	<b>-136.0%</b>
<b>OFFICE</b>	<b>\$174.7</b>	<b>\$158.5</b>	<b>-9.2%</b>
CBD: Gateway	54.1	51.7	-4.5%
CBD: Non-Gateway	16.0	13.4	-16.3%
Suburban	76.8	68.6	-10.6%
Non-Stabilized	27.8	24.8	-10.6%
<b>RETAIL</b>	<b>\$104.4</b>	<b>\$102.0</b>	<b>-2.2%</b>
Life-Style Center	27.3	24.7	-9.6%
Neighborhood/Community	56.8	60.1	5.8%
Power Center	8.2	7.3	-12.0%
Urban/Other	3.6	3.2	-12.2%
Non-Stabilized	8.3	6.8	-18.6%
<b>ALTERNATIVES</b>	<b>\$67.9</b>	<b>\$73.2</b>	<b>7.8%</b>
Life Science / Lab	39.2	41.5	5.6%
Storage	28.7	31.8	10.8%
<b>Total Comparable Property NOI</b>	<b>\$482.6</b>	<b>\$490.8</b>	<b>1.7%</b>
<b>Non-Comparable Property NOI</b>	<b>\$93.0</b>	<b>\$129.0</b>	<b>38.7%</b>
<b>TOTAL PROPERTY NOI</b>	<b>\$575.7</b>	<b>\$619.8</b>	<b>7.7%</b>

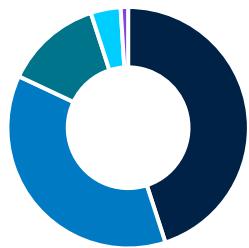
Results are not guaranteed. Past performance is not a guarantee or a reliable indicator of future results.

<sup>1</sup> 100% Property level unlevered expressed in millions. To provide a more meaningful basis for comparison between periods, net property income excludes income from properties that were purchased or sold during the comparative time periods and debt investments.. Note: As of December 31, 2022

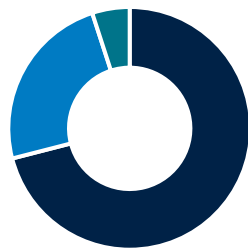
# Value-Add Pipeline

December 31, 2022

\$4+ billion in current and future projects



- 45% Residential
- 37% Industrial
- 13% Alternatives
- 4% Office
- 1% Retail



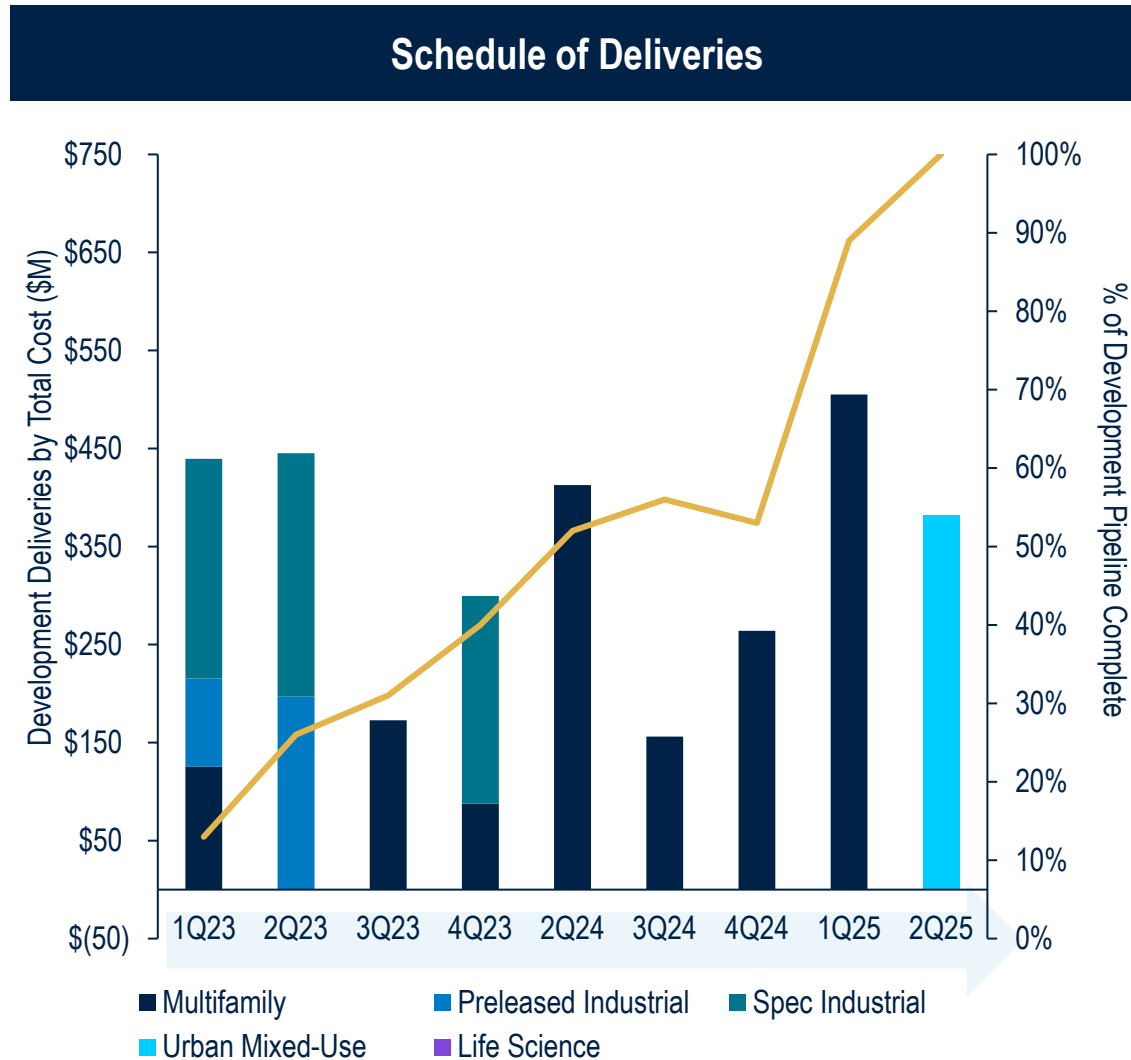
- 71% Under Construction
- 24% Prospective
- 5% Lease-Up



Note: Property images featured are for illustrative purposes only.

# Development Activity: Positioning for Growth

As of December 31, 2022



- Developments expected to deliver at a 6+% yield<sup>1</sup>, providing strong potential upside and a cushion to rising cap rates.
- 100% of near-term deliveries consist of housing and logistics strategies
- Later deliveries are positioned to benefit from supply constrained recovery

<sup>1</sup>Trended yields based on recent PGIM re-underwriting. Please note that the prospective transactions shown have not been closed and there is no guarantee that they can be completed. Note: Property image featured is for illustrative purposes only.



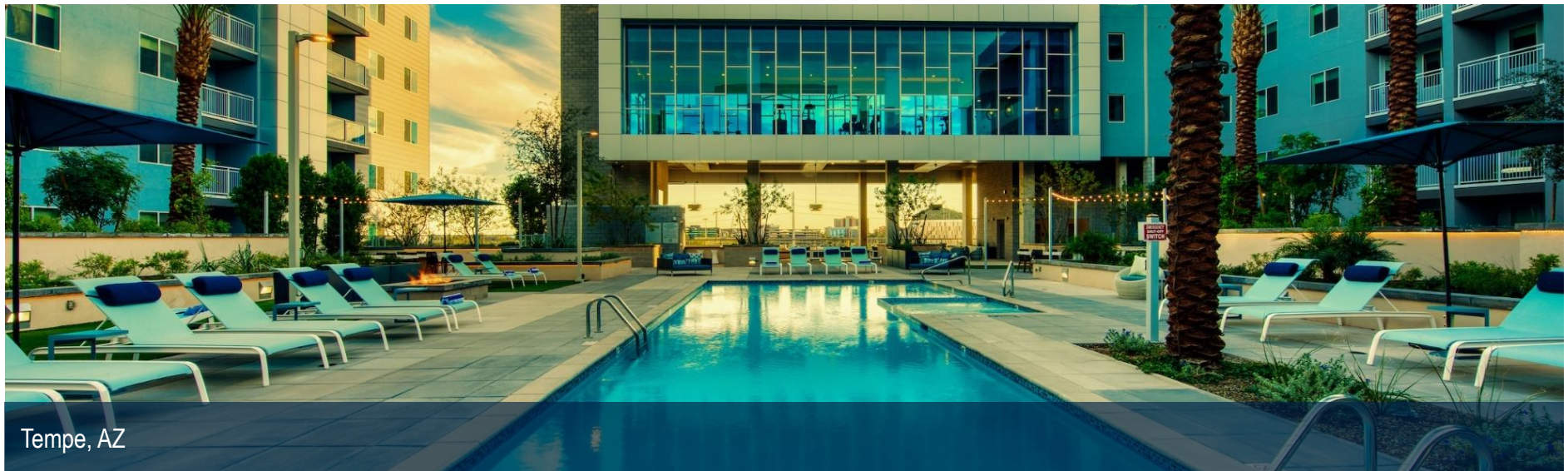
# Framework for Navigating Market Disruption

## Near Term

- Reassess/Renegotiate pipeline
- Execute selective sales
- Seek areas of dislocation for investment

## Early Recovery & Growth

- Long term structural growth themes
- Tactical Opportunities



Note: There is no guarantee that targets will be achieved. Property image featured is for illustrative purposes only

# Benefits of Investment in PRISA II

## 42-Year Track Record

- 9.89% gross since inception return (8.78% net)<sup>1</sup>
- Experienced management team with long tenure
- NAV based fee with no promoted interest

## Income and Growth

- High occupancy, diversified income stream
- Outperformance via value-added investment execution

## High Quality Real Estate Exposure

- Demographically driven investment targets
- Strategic exposure to high growth non-conventional property sectors

## Strong Institutional Sponsorship

- Global real estate debt and equity platform with \$204B AUM and AUA<sup>2</sup>
- Strength and Reputation of “The Rock”

## Broad Resources

- 167 U.S. Transactions, Asset Management and Research professionals<sup>3</sup>
- Oversight from Head of Risk and U.S. Investment Committee

## Unparalleled Transparency

- Every investment valued quarterly by a third-party appraiser
- Investor Advisory Councils

Past performance is not a guarantee or reliable indicator of future results.

RiversEdge at Port Imperial  
Gold Coast, NJ

<sup>1</sup> As of December 31, 2022. <sup>2</sup> As of September 30, 2022, net AUM is \$133B and AUA is \$47B. <sup>3</sup> Investment Professionals headcount as of September 30, 2022. Transactions and Asset Management figures represent U.S. Real Estate Equity.

# APPENDIX

# 03

# Summary of Key Terms

## Management Fees

INVESTOR NAV	FEE RATE
\$25M	120 bps
>\$25M - \$50M	115 bps
>\$50M - \$100M	105 bps
>\$100M - \$200M	95 bps
>\$200M - \$300M	90 bps
>\$300M	85 bps

- Competitive fee structure
- Investors move through each tier based on NAV
- No acquisition, disposition, or incentive fees
- Tax-efficient structure

## Sample Effective Fees

INVESTOR NAV	FEE RATE
\$25M	120 bps
\$50M	118 bps
\$100M	111 bps
\$150M	106 bps
\$250M	101 bps

## Eligible Investors

- Structured to accommodate a broad range of U.S. and non-U.S. institutional investors

Note: For illustrative purposes only.

# PRISA II

## Debt Profile

**34% LTV**

**\$4.0B**  
unencumbered assets

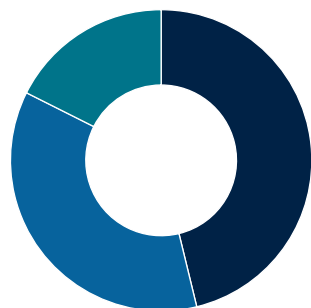
**15%**  
Portfolio Debt  
allows for asset flexibility

Minimal near-term  
maturities

### Key Metrics

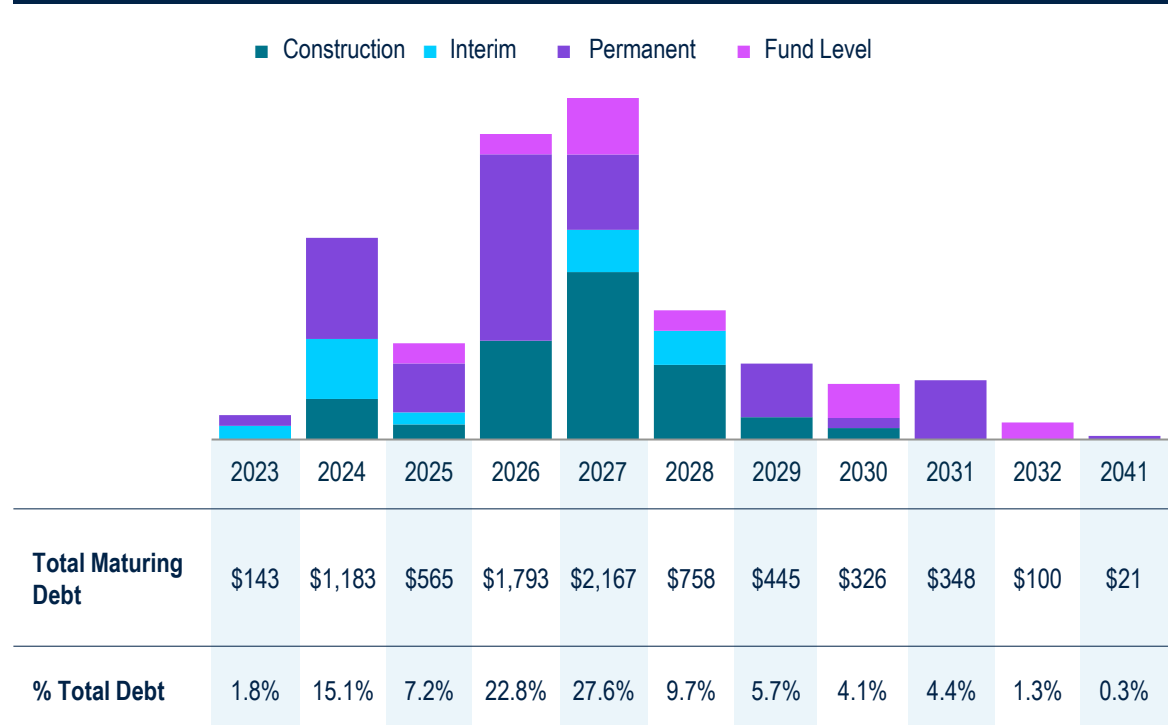
Weighted Average Maturity <sup>1</sup>	<b>4.2 Years</b>
Total Weighted Average Cost of Debt	<b>4.9%</b>
Line of Credit Size	<b>\$750M</b> (\$75M balance)

### Fixed vs. Floating Rate Debt



- 46.2% Fixed
- 36.2% Floating
- 17.6% Floating w/ Caps

### \$ of Debt Maturing (\$ Millions)<sup>1,2</sup>



<sup>1</sup> Debt maturities assume extension options have been exercised. <sup>2</sup> Interim and permanent loans represent 100% principal balance for wholly-owned and consolidated joint ventures and PRISA II's share of equity joint ventures. Construction loans represent 100% maximum commitments. Excludes PRISA II's unused capacity on the Credit Facility.

# Trailing Twelve Months Transaction Activity

As of December 31, 2022

## Acquisition Execution

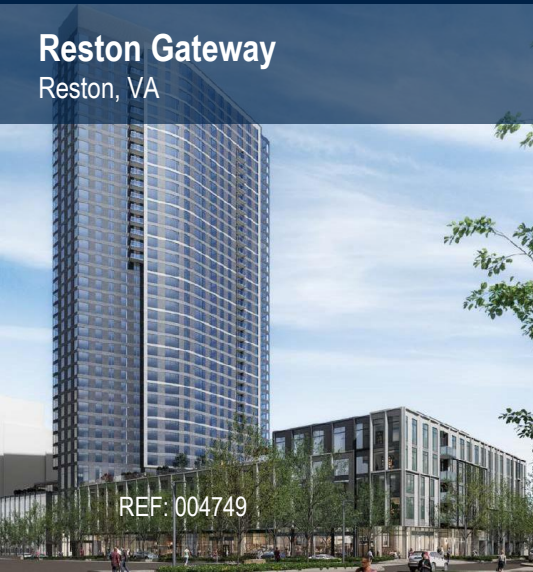
- Expanded Fund's pipeline of value-add investments in residential and industrial sectors.
- Continued focus on diversifying housing across income levels and product types.
- Increased exposure to alternatives.

## Disposition Execution

- “Round trips” of stabilized apartment developments.
- Opportunistic sales to capture outsized returns.
- Strategic reduction of retail allocation.

### Reston Gateway

Reston, VA

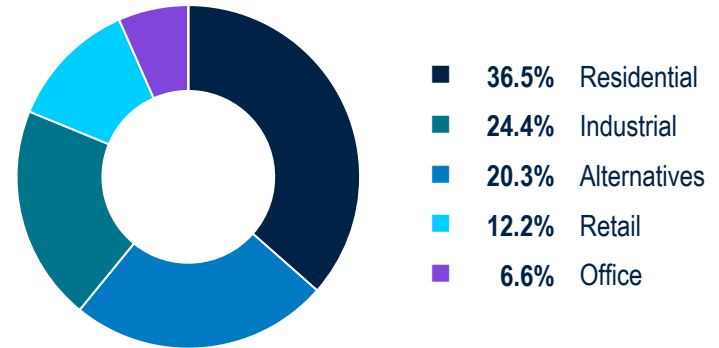


### Workforce Housing Portfolio

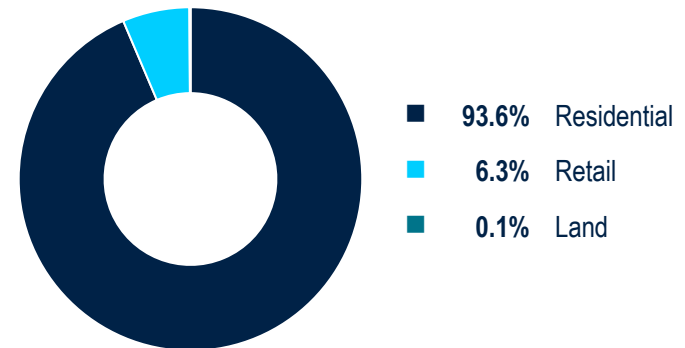
12 Assets



**Acquisition Activity<sup>1</sup>**  
(19 assets, \$2.1B)



**Disposition Activity**  
(12 assets, \$1.4B)



<sup>1</sup> Includes partner buyouts.

Note: Acquisitions total does not include additional fundings for past investments that are incorporated in the reported acquisition number.

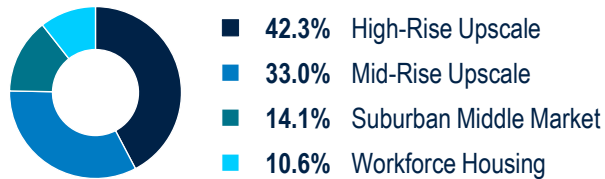
PRISA II

# Residential Sector

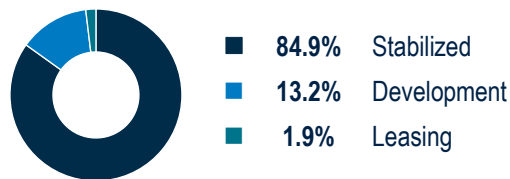
As of December 31, 2022

EXISTING PORTFOLIO		
Gross Assets <sup>1</sup>		\$4.8B
Total Units		14,253
# of Properties		45
Current Weighting		30.4%
Projected		◀▶
IN-PLACE RENT	MARKET RENT <sup>2</sup>	% DIFFERENCE
\$2,156	\$2,273	5.1%

### Sub-property Diversification

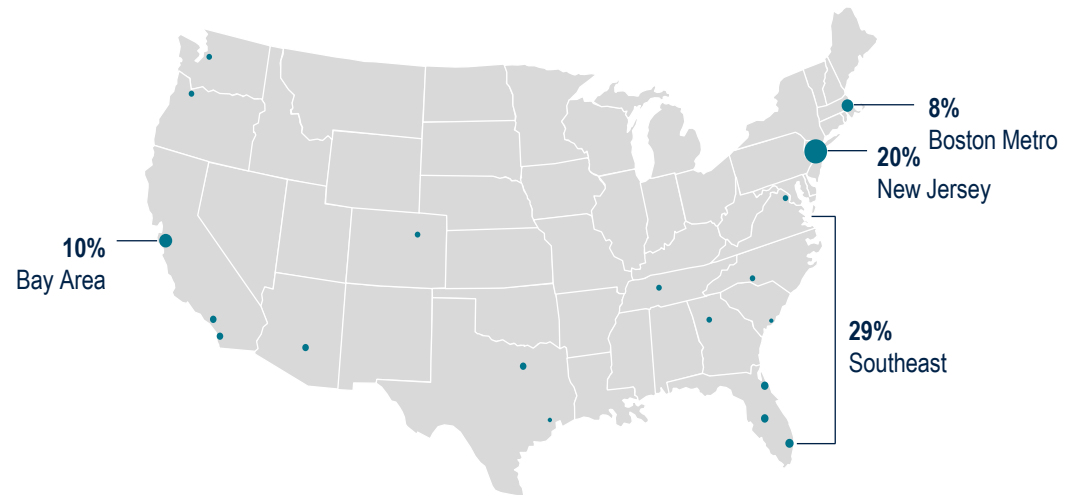


### Residential Life Cycle



### Portfolio Highlights

- Sector overweight offering **diversity** in strategy, density and tenant profile.
- Recent vintage (~5 yrs old) **upscale** and **middle market** assets aggregated at cost through **development** strategies.
- **Workforce** housing assets offer exposure to broader tenant base and **lower cost, high growth** Sunbelt markets.



<sup>1</sup> As of December 31, 2022. NAV is \$2.9B. <sup>2</sup> Based on 4Q22 appraisal. Note: All information is based on PRISA II's share of GMV. Note: The above information and the image represent a property that PRISA II is currently invested in as of 12/31/22 that is representative of the sector for illustrative purposes only.

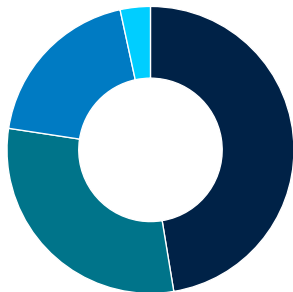
PRISA II

# Industrial Sector

As of December 31, 2022

EXISTING PORTFOLIO		
Gross Assets <sup>1</sup>		\$2.3B
Total Square Feet		12,486,615
# of Properties		14
Current Weighting		14.3%
Projected		▲
IN-PLACE RENT	MARKET RENT <sup>2</sup>	% DIFFERENCE
\$9.41	\$12.36	23.9%

Industrial Life Cycle<sup>2</sup>



- 47.4% Stabilized
- 30.0% Future Development Pipeline
- 19.2% Development
- 3.4% Leasing



Linden, NJ

## Portfolio Highlights

- **Significant** target of recent investment activity.
- Immediate **upside** in existing vacancy, under construction and build-to-suit opportunities.
- Current assets and pipeline expected to **perform** in post COVID-19-environment.

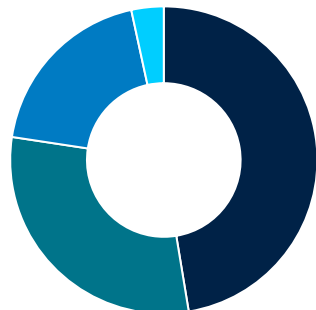
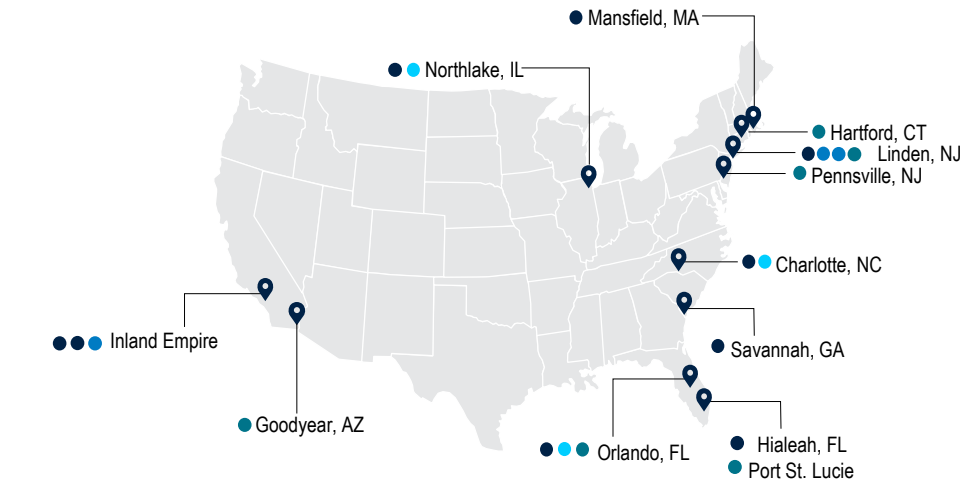
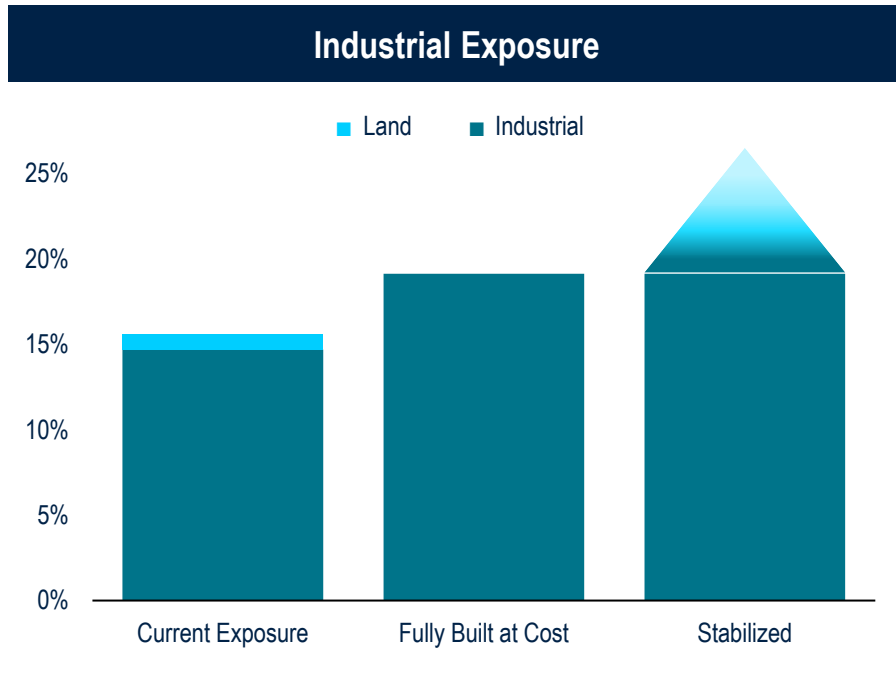
<sup>1</sup> As of December 31, 2022. NAV is \$1.6B. <sup>2</sup> Includes PRISA II's share of total development cost at construction completion and future identified investments. <sup>3</sup> Based on 4Q22 appraisal. Note: All information is based on PRISA II's share of GMV. The above information and the image represent a property that PRISA II is currently invested in as of 12/31/22 that is representative of the sector for illustrative purposes only.



PRISA II

# PRISA II Industrial Holdings

## Growth Focused Investment Pipeline



- 47.4% Stabilized (24 buildings, 8.5M SF)
- 30.0% Future Development + Presales (12 buildings, 7.3M SF)
- 19.2% Under Construction (10 buildings, 3.5M SF)
- 3.4% Leasing (4 building, 541K SF)



Please note that the transactions shown have not been closed and there is no guarantee that they can be completed.

Note: The above information and images represent properties that PRISA II is currently invested in as of 12/31/22 that is representative of the sector for illustrative purposes only.

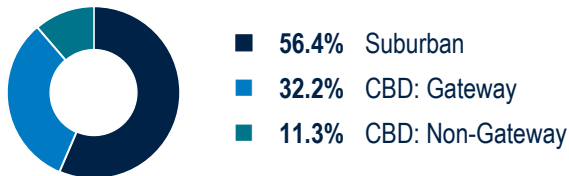
PRISA II

# Office Sector

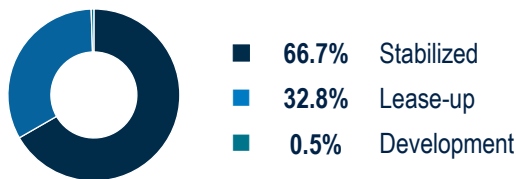
As of December 31, 2022

EXISTING PORTFOLIO		
Gross Assets <sup>1</sup>		\$3.6B
Total Square Feet		8,518,946
# of Properties		28
Current Weighting		22.6%
Projected		▼
IN-PLACE RENT	MARKET RENT <sup>2</sup>	% DIFFERENCE
\$45.69	\$50.11	8.8%

### Sub-property Diversification



### Office Life Cycle



### Portfolio Highlights

- Weighted towards **tech** and growth.
- Quality properties, recently **repositioned** with significant **capital improvement** programs.
- Offers **diversity** of exposure to **dominant** urban and suburban submarkets.
- **Limited** development exposure.

<sup>1</sup> As of December 31, 2022. NAV is \$2.7B. <sup>2</sup> Based on 4Q22 appraisal. Note: All information is based on PRISA II's share of GMV. The above information and the image represent a property that PRISA II is currently invested in as of 12/31/22 that is representative of the sector for illustrative purposes only.

PRISA II

# Office Holdings

Exposure to Attractive High Barrier Submarkets



SUBMARKET EXPOSURE	
<b>Tech Growth (59.4%)</b>	
	San Francisco (2)
	Silicon Valley
	Seattle Eastside
	Culver City
	Downtown Portland
	Midtown South NYC (2)
	Rosslyn-Ballston Corridor D.C.
	Midtown Atlanta
	Raleigh
<b>Lifestyle (27.0%)</b>	
	Del Mar San Diego (4)
	Costa Mesa
	Coral Gables
	Ft. Lauderdale
	Nashville
	Tampa
<b>Life Science / Pharma (9.0%)</b>	
	Waltham, MA
	Suburban NJ
<b>Government and Policy (4.6%)</b>	
	Washington D.C.

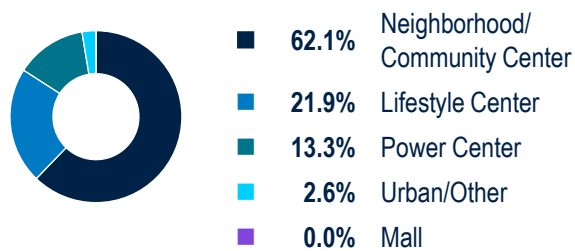
PRISA II

# Retail Sector

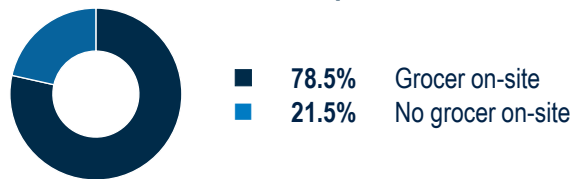
As of December 31, 2022

EXISTING PORTFOLIO		
Gross Assets <sup>1</sup>		\$2.3B
Total Square Feet		7,960,256
# of Properties		50
Current Weighting		14.5%
Projected		▼
IN-PLACE RENT	MARKET RENT <sup>2</sup>	% DIFFERENCE
\$20.81	\$22.29	6.6%

### Sub-property Diversification



### Grocer Exposure

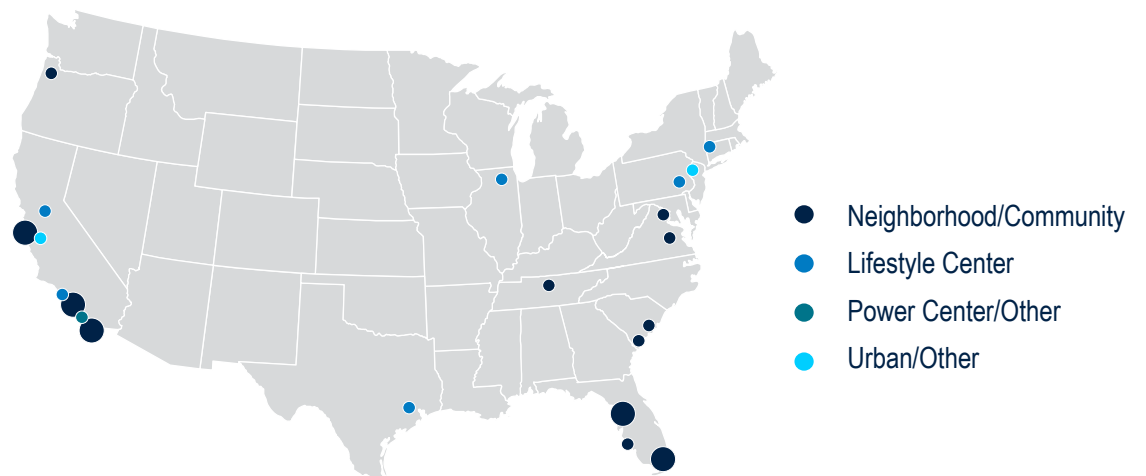


### Portfolio Highlights

- Heavy weighting towards **necessity** use.
  - **Grocery-anchored.**
  - Difficult to replicate at **scale.**
- Lifestyle centers **supplement** asset mix
- **No mall** exposure.



### Geographic Diversification



<sup>1</sup> As of December 31, 2022. NAV is \$1.8B. <sup>2</sup> Based on 4Q22 appraisal. Note: All information is based on PRISA II's share of GMV. The above information and the image represent a property that PRISA II is currently invested in as of 12/31/22 that is representative of the sector for illustrative purposes only.

PRISA II

# Alternatives

As of December 31, 2022

STORAGE PORTFOLIO			LIFE SCIENCE / LAB PORTFOLIO			STUDENT HOUSING PORTFOLIO		
Gross Assets <sup>1</sup>		\$1.1B	Gross Assets <sup>1</sup>		\$820M	Gross Assets <sup>1</sup>		\$363M
Total Units		32,773	Total Square Feet		1,810,870	Total Units		895
# of Properties		44	# of Properties		3	# of Properties		5
Current Weighting		7.1%	Current Weighting		5.2%	Current Weighting		2.3%
Projected		▲	Projected		▲	Projected		▲
IN-PLACE RENT	MARKET RENT <sup>2</sup>	% DIFFERENCE	IN-PLACE RENT	MARKET RENT <sup>2</sup>	% DIFFERENCE	IN-PLACE RENT	MARKET RENT <sup>2</sup>	% DIFFERENCE
\$25.68	\$25.05	-2.5%	\$61.3	\$85.4	28.2%	\$1,097	\$1,098	0.1%



<sup>1</sup> NAV for storage, life science/lab, and student housing is \$1.1B, \$543M and \$148M, respectively. <sup>2</sup> Based on 4Q22 appraisal. Note: All information is based on PRISA II's share of GMV and as of December 31, 2022. The above information and the images represent properties that PRISA II is currently invested in as of 12/31/22 that is representative of the sector for illustrative purposes only.

# PRISA II LP Key Information

As of December 31, 2022

## THE BASICS<sup>1</sup>

Gross Asset Value	\$17.3B
Net Asset Value	\$10.2B
Cash Balance	\$197.9M

## THE DEBT PICTURE

Fixed/Floating % <sup>2</sup>	45% / 55%
Recourse Leverage Ratio	7.3%
Weighted Average Cost of Debt (Fixed/Floating)	4.9% (3.9% / 5.8%)
Weighted Average Maturity	4.2 Yrs

## STRATEGIC MARKET EXPOSURE

Market	Exposure <sup>3</sup>
New York / New Jersey	19.6%
Southern California	16.6%
Florida	13.6%
San Francisco Bay Area	12.6%
Boston	8.0%
Washington D.C.	2.3%
<b>TOTAL</b>	<b>72.9%</b>

## RETURNS VS. NFI-ODCE<sup>4</sup>

Time Period	Income		Appreciation		Total return	
	PRISA II LP	NFI-ODCE	PRISA II LP	NFI-ODCE	PRISA II LP	NFI-ODCE
Current Quarter	0.66%	0.80%	-6.78%	-5.75%	-6.12%	-4.96%
1-Year	3.30%	3.45%	4.16%	3.93%	7.54%	7.47%
3-Year	3.79%	3.77%	6.52%	5.99%	10.49%	9.93%
5-Year	3.83%	3.94%	5.88%	4.60%	9.87%	8.68%
7-Year	4.02%	4.08%	5.55%	4.33%	9.72%	8.54%
10-Year	4.24%	4.36%	7.01%	5.55%	11.47%	10.10%
Since PRISA II Inception (7/1/80)	7.20%	6.70%	2.59%	1.34%	9.94%	8.12%

<sup>1</sup> "Gross Asset Value," "Net Asset Value" and Cash Balance represents the value of the assets held by PRISA II SA and PRISA II LP without netting out PRISA II SA's respective interest therein. PRISA II LP's net asset value is \$2,174.0M as of December 31, 2022. <sup>2</sup> Includes floating rate loans with caps. <sup>3</sup> Based on PRISA II LP's share of gross market value. <sup>4</sup> Returns shown are time-weighted rates of return calculated in conformity with performance reporting standards and are before the deduction of Manager Compensation/Fees. Returns for NFI-ODCE are based on the preliminary report published by NCREIF on January 13, 2023. **Past performance is not a guarantee or a reliable indicator of future results.** Please refer to the disclosures for further information.

# PRISA II SA Key Information

As of December 31, 2022

## THE BASICS<sup>1</sup>

Gross Asset Value	\$17.5B
Net Asset Value	\$10.5B
Cash Balance	\$204.9M

## THE DEBT PICTURE

Fixed/Floating % <sup>2</sup>	46% / 54%
Recourse Leverage Ratio	7.1%
Weighted Average Cost of Debt (Fixed/Floating)	4.9% (3.9% / 5.8%)
Weighted Average Maturity	4.2 Yrs

## STRATEGIC MARKET EXPOSURE

Market	Exposure <sup>3</sup>
New York / New Jersey	19.2%
Southern California	16.2%
Florida	13.3%
San Francisco Bay Area	14.4%
Boston	7.9%
Washington D.C.	2.3%
<b>TOTAL</b>	<b>73.2%</b>

## RETURNS VS. NFI-ODCE<sup>4</sup>

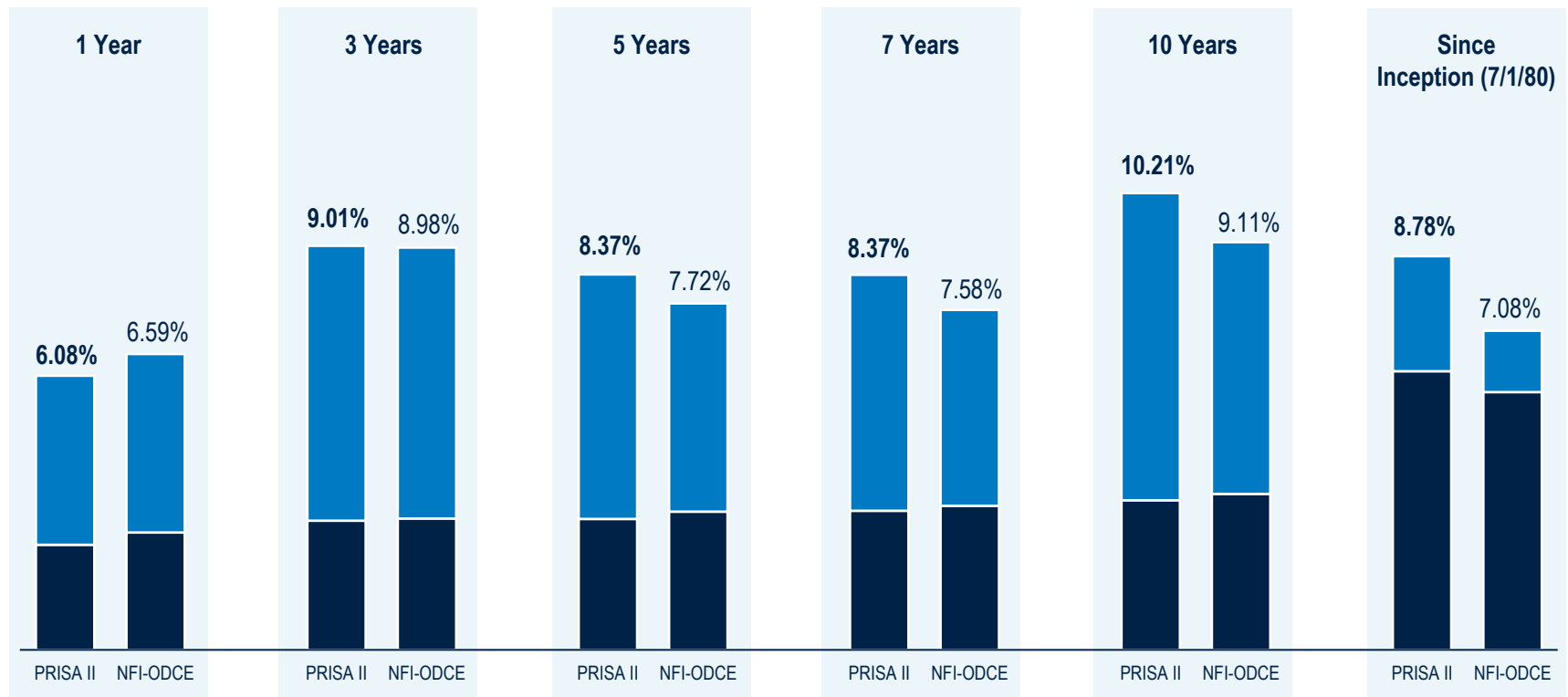
Time Period	Income		Appreciation		Total Return	
	PRISA II SA	NFI-ODCE	PRISA II SA	NFI-ODCE	PRISA II SA	NFI-ODCE
Current Quarter	0.68%	0.80%	-6.83%	-5.75%	-6.14%	-4.96%
1-Year	3.34%	3.45%	3.61%	3.93%	7.02%	7.47%
3-Year	3.89%	3.77%	5.95%	5.99%	10.01%	9.93%
5-Year	3.93%	3.94%	5.31%	4.60%	9.39%	8.68%
7-Year	4.09%	4.08%	5.14%	4.33%	9.38%	8.54%
10-Year	4.29%	4.36%	6.73%	5.55%	11.22%	10.10%
Since PRISA II Inception (7/1/80)	7.22%	6.70%	2.52%	1.34%	9.88%	8.12%

<sup>1</sup> "Gross Asset Value," "Net Asset Value" and Cash Balance represents the value of the assets held by PRISA II SA and PRISA II LP without netting out PRISA II LP's respective interest therein. PRISA II SA's net asset value is \$8,320.5M as of December 31, 2022. <sup>2</sup> Includes floating rate loans with caps. <sup>3</sup> Based on PRISA II SA's share of gross market value. <sup>4</sup> Returns shown are time-weighted rates of return calculated in conformity with performance reporting standards and are before the deduction of Manager Compensation/Fees. Returns for NFI-ODCE are based on the preliminary report published by NCREIF on January 13, 2023. **Past performance is not a guarantee or a reliable indicator of future results.** Please refer to the disclosures for further information.

PRISA II COMPOSITE

# Total Returns After Management Fees

PRISA II Composite Net Returns vs. NFI-ODCE Net Returns<sup>1</sup>



NFI-ODCE Spread -51 bps

+3 bps

+65 bps

+79 bps

+110 bps

+170 bps

■ Income ■ Appreciation

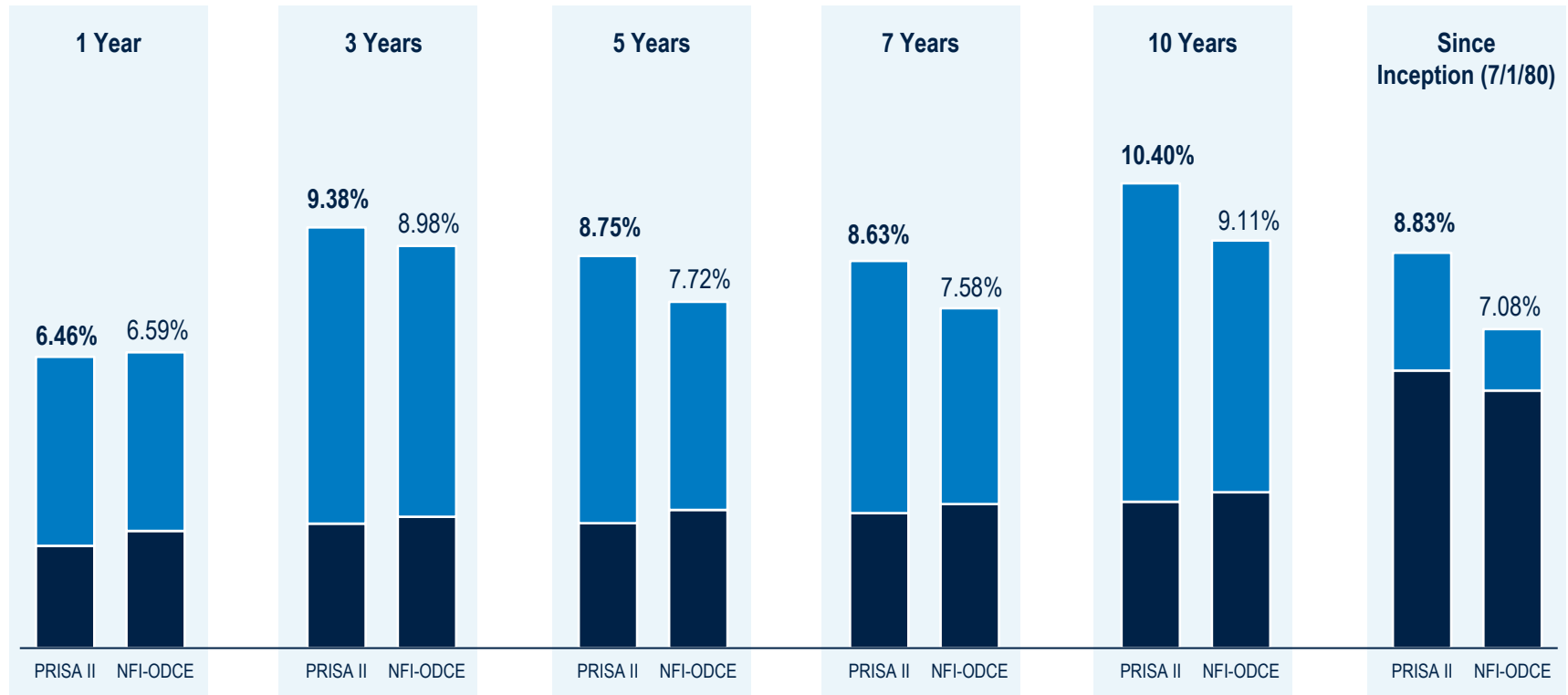
<sup>1</sup> Returns for periods prior to January 1, 2018 are based upon PRISA II SA only.

Note: Returns shown are time-weighted rates of return calculated in conformity with performance reporting standards and are after the deduction of Manager Compensation/Fees. Returns for NFI-ODCE are based on the preliminary report published by NCREIF on January 13, 2023. **Past performance is not a guarantee or a reliable indicator of future results.** As of December 31, 2022.



# Total Returns After Management Fees

PRISA II LP Net Returns vs. NFI-ODCE Net Returns<sup>1</sup>



NFI-ODCE Spread **-13 bps**

**+40 bps**

**+103 bps**

**+105 bps**

**+129 bps**

**+175 bps**

■ Income ■ Appreciation

Past performance is not a guarantee or a reliable indicator of future results.

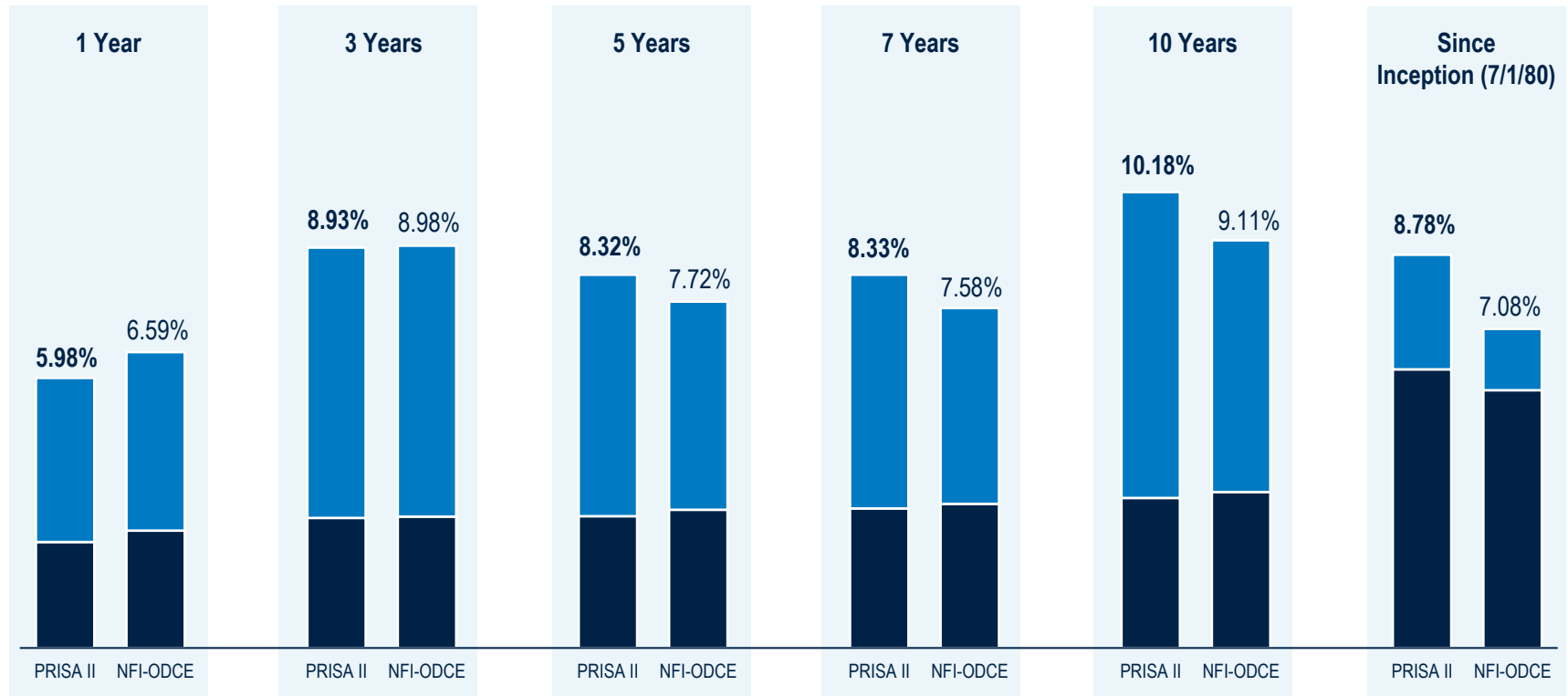
<sup>1</sup> Returns for periods prior to January 1, 2018 are based upon PRISA II SA only.

Note: Returns shown are time-weighted rates of return calculated in conformity with performance reporting standards and are after the deduction of Manager Compensation/Fees. Returns for NFI-ODCE are based on the preliminary report published by NCREIF on January 13, 2023. As of December 31, 2022.

PRISA II SA

# Total Returns After Management Fees

PRISA II SA Net Returns vs. NFI-ODCE Net Returns<sup>1</sup>



NFI-ODCE Spread -61 bps

-5 bps

+60 bps

+75 bps

+107 bps

+170 bps

■ Income ■ Appreciation

<sup>1</sup> Returns for periods prior to January 1, 2018 are based upon PRISA II SA only.

Note: Returns shown are time-weighted rates of return calculated in conformity with performance reporting standards and are after the deduction of Manager Compensation/Fees. Returns for NFI-ODCE are based on the preliminary report published by NCREIF on January 13, 2023. **Past performance is not a guarantee or a reliable indicator of future results.** As of December 31, 2022.



# DARIN BRIGHT

## PRISA II Senior Portfolio Manager

### CONTACT

Email: [darin.bright@pgim.com](mailto:darin.bright@pgim.com)

Phone: +1 (973) 734-1514

Years with PGIM: 18

Real Estate Experience: 32

Darin Bright is a managing director at PGIM Real Estate and senior portfolio manager for PRISA II, PGIM Real Estate's flagship U.S. core plus equity real estate fund. Based in Newark, New Jersey, Darin directs all aspects of the account's portfolio strategy, including investment allocation and selection, asset management, and portfolio reporting. Darin is a member of PGIM Real Estate's U.S. Executive Council, U.S. Investment Committee and the Americas Executive Council.

Prior to joining PGIM Real Estate, from 1995 to 2004, Darin was vice president with Grubb & Ellis, providing third-party asset management services for institutional and corporate clients. He started his career as a commercial real estate appraiser with Richard E. Nichols Associates, providing advisory and valuation services to lenders, developers, and corporate and institutional clients.

Darin received a bachelor's degree in finance from Indiana University and a master of business administration from the University of Chicago. He is a former certified commercial real estate appraiser and a current member of Urban Land Institute (ULI) and Pension Real Estate Association (PREA).



# JUSTIN GLEASON

## PRISA II Portfolio Manager

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Justin Gleason is a managing director at PGIM Real Estate and portfolio manager for PRISA II, PGIM Real Estate's flagship U.S. core plus equity real estate fund. Based in San Francisco, Justin has a leadership role in all aspects of the Fund's strategy and management.

Justin has a bachelor's degree in finance, management and political science from Virginia Polytechnic and State University (Virginia Tech). He was named to Real Estate Forum's "Fifty Under Forty" list in 2016.

## CONTACT

Email: [justin.gleason@pgim.com](mailto:justin.gleason@pgim.com)  
Phone: +1 (415) 486-3852

Years with PGIM: 21  
Real Estate Experience: 21

Prior to joining the PRISA II team in 2011, Justin held several roles in the Capital Markets and Northeast Transactions team. During this time, he served as PGIM Real Estate's U.S. debt capital markets specialist, consulting with portfolio managers, partners, and transactions staff on borrowing and hedging activities. In addition, he was actively involved in several large portfolio acquisitions, loan acquisitions, mezzanine financing, deal workouts, and deal sourcing efforts in the greater Washington, D.C. region.



# CAITLIN O'CONNOR

## PRISA II Portfolio Manager

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Caitlin O'Connor is an executive director at PGIM Real Estate and portfolio manager for PRISA II, PGIM Real Estate's flagship U.S. core plus equity real estate fund. Based in San Francisco, Caitlin is responsible for overseeing the Fund's west coast investment and asset management activities.

Most recently, Caitlin was the Chief Underwriter of the Americas responsible for implementing the Investment Risk process in both the U.S. and Latin America. Prior to that, Caitlin managed the West Coast Customized Investment Strategies (CIS) team from January 2015 through December 2016 overseeing all asset management activities across six funds with varying investment strategies. Before joining the CIS team, Caitlin worked at Lennar Multifamily Communities as a development director in the Northern California region.

And, prior to her experience at Lennar, Caitlin held multiple roles in acquisitions and asset management at PGIM Real Estate from 2005 through 2013.

Caitlin has a bachelor's degree in biochemistry and history from Occidental College and a master of science in real estate development (MSRED) and master in city planning (MCP) from the Massachusetts Institute of Technology. She was named to Real Estate Forum's "Fifty Under Forty" list in 2018.

## CONTACT

Email: [caitlin.oconnor@pgim.com](mailto:caitlin.oconnor@pgim.com)  
Phone: +1 (415) 486-3801

Years with PGIM: 16  
Real Estate Experience: 18



# MATTHEW MEYERS

## PRISA II Assistant Portfolio Manager

Matt Meyers is a vice president at PGIM Real Estate and an assistant portfolio manager for PRISA II, PGIM Real Estate's flagship U.S. core plus equity real estate fund.

Prior to his current role, Matt was an asset manager for the Core Plus Funds Group, where he managed a portfolio of office, industrial, multifamily, and land assets in the Northeast.

Previously, Matt was a member of the Northeast Acquisitions team from 2012-2016 where he underwrote, performed due diligence, and helped close 30 acquisition and development transactions across all property types in the Northeast, MidAtlantic and Midwest totaling \$2.75 billion.

Prior to joining the Acquisitions team, Matt was a portfolio analyst for a series of closed-end opportunity funds in the Merchant Banking Group, and began his Prudential career in the Financial Leadership Development Program.

Matt has a bachelor's degree in finance and a minor in psychology from Lehigh University.

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Years with PGIM: 14  
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# KEVIN P. SMITH

## Executive Director Real Estate and Private Equity

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Kevin P. Smith is an executive director at PGIM Real Estate and a member of the U.S. Business Development team serving institutional investors throughout the United States. Based in Newark, New Jersey, Kevin is responsible for client relationship management and capital raising for PGIM Real Estate's global products across real estate, agriculture and impact, as well as the coordination of business development activities between PGIM and Montana Capital Partners – a PGIM-owned global private equity secondaries manager.

Kevin joined PGIM in 1988 as a member of Prudential Asset Management Company (PAMCO). While with PAMCO, Kevin was actively involved in many aspects of institutional asset management and client service. Since joining PGIM Real Estate in 1992, Kevin has been a member of the group responsible for client service and marketing of real estate products having served in a variety of client service, sales and marketing functions.

Kevin has a bachelor's degree from Seton Hall University and is a member of the Pension Real Estate Association and the International Foundation of Employee Benefit Plans.

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## ENDNOTES

- **PRISA II Separate Account ("PRISA II SA")** is the original PRISA II fund structured as an insurance company separate account with an inception date of July 1980.
- **PRISA II LP or PRISA II** is the new investment vehicle formed on January 1, 2018 to invest in substantially all of the existing portfolio of PRISA II SA assets (as of December 31, 2017) as well as all assets that PICA, on behalf of PRISA II SA, elects to invest in going forward.
- **PRISA II Composite** reflects the combined performance of all assets held by PRISA II SA and PRISA II LP. Although this is not an actual fund in which any client is invested, it is indicative of the overall performance of the PRISA II investment strategy and, therefore, the PRISA II Composite returns and portfolio metrics will be provided to NCREIF for inclusion in the NFI-ODCE and other NCREIF Indices. PRISA II may also refer to the PRISA II dedicated portfolio and asset management teams.
- **PRISA II REIT** is the entity through which PRISA II LP will make all of its investments. As of December 31, 2022, PRISA II LP and PRISA II SA own approximately 21.3% and 78.7% of PRISA II REIT, respectively. Any reference to PRISA II LP's dollar exposure throughout this document refers to that of PRISA II REIT, unless otherwise noted.
- **Important Note on Historical Information:** Economic terms and other portfolio metrics reported for PRISA II, PRISA II SA or PRISA II LP that include periods to the formation of PRISA II LP reflect information for PRISA II SA for those periods prior to January 1, 2018. Prior to the formation of PRISA II LP, PRISA II and PRISA II SA were one and the same.

## VALUATION POLICY

Properties held by the Fund are accounted for at fair value in accordance with applicable contractual requirements and in compliance with authoritative accounting guidance ("U.S. GAAP"). Property level debt is also accounted for at fair value based on the amount at which the impact of the liability could be measured in a current transaction exclusive of direct transactions costs. The Fund's current valuation procedure is as follows:

The Global Chief Real Estate Appraiser (the "Chief Appraiser") of PGIM Real Estate, who has an independent reporting line from the business (reporting to Investment Risk), is responsible for the valuation process of the Fund's investments and approves final gross real estate values. The Chief Appraiser retains an independent Appraisal Management Firm ("AMF") to run the day-to-day operation of the appraisal process. The AMF is responsible to assist with the selection, hiring, oversight, rotation and/or termination of third-party appraisal firms. Third-party appraisers are typically rotated on a three-year cycle and are selected from the Chief Appraiser's Approved Vendor's List through a competitive bid process. To be included in the list, individual experts are interviewed, referenced and a sampling of their work is reviewed to understand capabilities and competencies of the appraiser. In addition to the administrative services, the AMF collects asset manager comments and provides independent reviews of the appraisal reports and opines on the reasonableness of the value conclusions in order to maintain documentation and monitoring of the independence and accuracy of the valuations. The reported fair values are based on the external appraisal conclusions following the completion of the formal internal and external reviews and sign-offs. However, in the rare instance a material fact or error be identified and considered unresolved during the AMF review process, the AMF is responsible to provide the substantiation and compelling evidence to make an adjustment to the appraised value and it would be reported to the Fund investors.

Real estate properties (including properties under development) and other investments are appraised every quarter with few exceptions such as properties recently acquired or under a letter of intent for sale. The fair value of land held for development is considered to be acquisition cost, including soft costs incurred prior to development, assuming it is the assumption a market participant would use. Income producing real estate property appraisals primarily rely on the income approach to value (DCF) with consideration of the cost and market approaches, as applicable. Real estate property appraisals and the AMF appraisal reviews are performed in accordance with the Uniform Standards of Professional Appraisal Practice ("USPAP"), which is the standard for real estate appraisals in the United States.

USPAP is consistent in principle with RICS Valuation- Global Standards ("Red Book Global Standards") and the International Valuation Standards ("IVS") as set forth by the International Valuation Standards Council.

As described above, the estimated market value of real estate and real estate related assets is determined through an appraisal process. These estimated market values may vary significantly from the prices at which the real estate investments would sell, since market prices of real estate investments can only be determined by negotiation between a willing buyer and seller. Valuations should be considered only estimates of value and not a measure of realizable value. In addition, such valuations should be viewed as subject to change with the passage of time.

## BENCHMARK DEFINITIONS

### NCREIF Fund Index-Open End Diversified Core Equity (NFI-ODCE):

Diversified Core Equity, is a capitalization-weighted, gross of fee, timeweight return index with an inception date of December 31, 1977. Other supplemental data such as equal-weight and net of fee returns are also provided by NCREIF for informational purposes and additional analysis. To be eligible for NFI-ODCE membership, each member fund must be marketed as an open-end fund with a diversified core investment strategy primarily investing in private equity real estate. All members funds must adhere to the following index inclusion criteria:

At least 80% of the fund gross asset value must be invested in private direct real estate equity; (2) At least 95% of real estate gross market value assets must be located in U.S. markets; (3) At least 75% of fund gross market value must be invested in office, industrial, residential and retail property types; (4) At least 75% of the fund gross asset value must be invested in "stabilized" properties (75% leased); (5) Fund loan-to-value ratio (LTV) must be less than 35%; (6) No more than 60% of real estate gross market value in one property type with greater than 5% of gross market value in 3 of the 4 major property types; and (7) No more than 65% of real estate gross market value in one NCREIF defined region.

Each member fund must also comply with the NCREIF PREA Reporting standards. Note: A benchmark Index is not professionally managed. Investors cannot invest directly in an index.



# Disclosures

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**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 a reliable indicator of future results. No representations are made by PGIM Real Estate as to the actual composition or performance of any account.**

**PRISA II:** The basis for the performance target set forth within this presentation is based on a fund that is a broadly diversified equity real estate portfolio that seeks to structure investments to enhance risk-adjusted returns. Target returns are expected to be achieved over a complete market cycle which can be defined as a period of time whereby valuations have bottomed (hit a trough), rose to a peak and then declined to the trough point again. PGIM Real Estate has based this investment objective on certain assumptions that it believes are reasonable. There is no guarantee, however, that any or all of such assumptions 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. Factors necessary to achieve this performance target include a diversification strategy, which is intended to reduce risk and maintain a broadly diversified portfolio. Property selection and performance impact the ability to achieve the target returns, including asset

location, asset class, property type of asset, investment strategy and the capitalization of investment. Property and Fund performance are subject to healthy economic conditions in the U.S. market and sub-markets where investments are located. Factors that would mitigate against achieving this performance target would include, but are not limited to, unforeseen sudden and drastic changes in economic and capital markets and/or demographic trends affecting the U.S. or a particular market or sub market that could impact property performance and/or investors' demand for commercial real estate.

The financial indices referenced herein as benchmarks are provided for informational purposes only. The holdings and portfolio characteristics may differ from those of the benchmark(s), and such differences may be material. Factors affecting portfolio performance that do not affect benchmark performance may include portfolio rebalancing, the timing of cash flows, credit quality, diversification and differences in volatility. In addition, financial indices do not reflect the impact of fees, applicable taxes or trading costs which reduce returns. Unless otherwise noted, financial indices assume reinvestment of dividends.

You cannot make a direct investment in an index. The statistical data regarding such indices has not been independently verified by PGIM Real Estate.

References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities. The securities referenced may or may not be held in portfolios managed by PGIM Real Estate and, if such securities are held, no representation is being made that such securities will continue to be held. These materials do not purport to provide any legal, tax or accounting advice. These materials are not intended for distribution to or use by any person in any jurisdiction where such distribution would be contrary to local law or regulation.

The information contained herein is provided by PGIM Real Estate. PGIM Real Estate is the investment manager of PRISA II LP and PRISA II SA.

In addition to this document, PRISA II LP or its agent may distribute to you an offering memorandum (the "Memorandum") and the constitutional documents of PRISA II LP (including a limited partnership agreement and/or other governing fund document and a subscription agreement). You should review and carefully consider these documents, especially the risk factors explained within them, and should seek advice from your legal, tax, and other relevant advisers before making any decision to subscribe for interests in PRISA II LP. If there is any conflict between this document and the Memorandum and constitutional documents of PRISA II LP, the Memorandum and constitutional documents shall prevail. You must rely solely on the information contained in PRISA II LP's Memorandum and constitutional documents in making any decision to invest.

This presentation is being provided to you in connection with your potential investment in PRISA II LP and not with respect to a potential investment in PRISA II SA. PRISA II LP's portfolio will differ somewhat from the portfolio of PRISA II SA. Accordingly, the return information and portfolio composition information included herein with respect to PRISA II SA does not necessarily describe or represent the returns and portfolio composition of PRISA II LP. Furthermore, PGIM/PGIM Real Estate and its affiliates have the right to change the proposed terms of PRISA II LP, including the right to decide not to proceed with forming PRISA II LP.

# Disclosures (continued)

**There can be no assurance that PRISA II SA or PRISA II LP will meet any performance targets referenced herein. An investor could lose some or all of its investment in PRISA II LP. Investments are not guaranteed by PRISA II LP, PGIM Real Estate, their respective affiliates, or any governmental agency.**

Certain securities products and services are distributed by Prudential Investment Management Services LLC, a Prudential Financial company and member of SIPC.

**Risk Factors:** Investments in commercial real estate and real estate-related entities are subject to various risks, including adverse changes in domestic or international economic conditions, local market conditions and the financial conditions of tenants; changes in the number of buyers and sellers of properties; increases in the availability of supply of property relative to demand; changes in availability of debt financing; increases in interest rates, exchange rate fluctuations, the incidence of taxation on real estate, energy prices and other operating expenses; changes in environmental laws and regulations, planning laws and other governmental rules and fiscal policies; changes in the relative popularity of properties risks due to the dependence on cash flow; risks and operating problems arising out of the presence of certain construction materials; and acts of God, uninsurable losses and other factors which are beyond the control of the Manager and the Fund. As compared with other asset classes, real estate is a relatively illiquid investment. Therefore, investors' withdrawal requests may not be satisfied for significant periods of time. Other than its general fiduciary duties with respect to investors, PGIM Real Estate has no specific obligation to take any particular action (such as liquidation of investments) to satisfy withdrawal requests. In addition, as recent experience has demonstrated, real estate is subject to long-term cyclical trends that give rise to significant volatility in real estate values. An investor could lose some or all of its investment in the Fund.

The interests in PRISA II LP have not been and will not be registered under the U.S. Securities Act and are being offered and sold in compliance with Regulation D under the U.S. Securities Act. The interests are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under Regulation D under the U.S. Securities Act and the applicable state, foreign and other securities laws, pursuant to registration or exemption there from. Interests in PRISA II LP will only be offered to "qualified purchasers" under the Investment Company Act of 1940, as amended. The transferability of interests will be further restricted by the terms of the Partnership Agreement of PRISA II LP. Prospective Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

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## COVID-19

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.