

PGIM Real Estate UK Ground Lease Fund

INVESTMENT POLICY AND OBJECTIVES

To outperform (post running costs and gross of tax) the total nominal return of the 1.25% Index Linked Treasury Gilt 2055 by 2% per annum over a 10-year rolling period.

INVESTOR CONSTITUENCY

PGIM Real Estate UK Ground Lease Fund is available for investment to UK taxable and UK tax exempt investors including pension schemes, corporates, charities and certified sophisticated investors, and, subject to local regulations and requirements, overseas taxable and overseas tax exempt investors.

Fund details	
Type of fund	Property Unit Trust
Residence	Jersey
Launch date	July 2006
Open/closed-ended	Open-ended*
Year-end	30 September
NAV (GBPm)	547.86

Source : PGIM Real Estate UK Ground Lease Fund

Management/professional advisors	
Manager	Carne Global AIFM Solutions (C.I.) Limited
Fund administration	MUFG Alternative Fund Services (Ireland) Limited
Property fund manager	Charles Crowe
Trustee	Ocorian Limited
Auditors	Ernst & Young LLP

Source : PGIM Real Estate UK Ground Lease Fund

	PGIM Real Estate UK Ground Lease Fund	MSCI/AREF UK Quarterly Property Fund Index		
		Long Income Open-Ended funds	All balanced open-ended funds	All funds
3 months	-3.4	0.8	1.1	1.4
Year-to-date	-4.4	0.8	1.7	1.7
12 months	-7.4	-1.5	0.1	0.0
3 years+	-3.2	-2.8	0.6	0.0
5 years+	-1.1	0.2	1.5	0.6
10 years+	3.7	3.8	4.8	4.0

Source : PGIM Real Estate UK Ground Lease Fund

Fund Restraints	
Property investment restrictions	
Maximum development exposure	n/a
Maximum speculative development exposure	n/a
Maximum lot-size holding as a standing investment	n/a
Maximum lot-size holding permitted at purchase	n/a
Maximum exposure to limited partnerships	n/a
Maximum exposure to joint ventures	n/a
Maximum exposure to closed and open-ended property unit trusts	n/a
Restrictions on holdings of cash/borrowings	
Maximum total gearing permitted	n/a
Cash holdings (maximum)	n/a
Cash holdings (minimum)	n/a

Source : PGIM Real Estate UK Ground Lease Fund

	PGIM Real Estate UK Ground Lease Fund	MSCI/AREF UK Quarterly Property Fund Index		
		Long Income Open-Ended funds	All balanced open-ended funds	All funds
Standard retail – South East	0.0	5.4	3.7	3.4
Standard retail – Rest of UK	2.8	2.2	1.1	1.2
Supermarkets	0.6	4.3	1.1	1.7
Shopping centres	6.7	0.5	0.9	0.6

Retail warehouses	0.0	0.5	12.0	7.4
All UK retail	10.0	12.9	18.8	14.4
City offices	0.0	1.2	3.1	2.6
West End offices	0.0	4.4	6.6	4.8
Rest of South East offices	1.1	6.6	6.3	5.2
Rest of UK offices	0.0	8.6	4.0	4.4
All UK offices	1.1	20.9	20.0	17.0
South East industrial	0.0	3.6	20.1	18.0
Rest of UK industrial	0.0	2.6	7.2	6.5
South East Distribution Warehouse	0.0	0.7	5.4	4.1
Rest of UK Distribution Warehouse	0.4	6.3	6.3	5.3
All UK industrial	0.4	13.1	39.1	33.8
Residential excl Student Accomodation	8.0	6.4	1.3	2.4
Student Accomodation	0.0	6.9	3.3	10.7
Hotel	75.2	16.8	3.2	6.1
Leisure	0.0	7.6	2.2	4.1
Healthcare	0.0	2.8	1.3	1.4
Other UK properties	2.2	9.0	3.2	4.1
Cash***	3.1	3.7	7.7	6.0
Overall	100.0	100.0	100.0	100.0

Source : PGIM Real Estate UK Ground Lease Fund

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	123	530.9	100.0
Joint and indirect holdings	0	0	0.00
Listed investments	0	0	0
Total	123.0	530.9	100.0

Source : PGIM Real Estate UK Ground Lease Fund

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
THE HOTEL RUSSELL	LONDON	Hotel	86.1	16.2
THE WESTIN HOTEL PORTFOLIO, UPPER THAMES STREET	LONDON	Hotel	73.6	13.9
PARK PLAZA RIVERBANK HOTEL	LONDON	Hotel	46.5	8.7
157-183 WATERLOO ROAD	LONDON	Hotel	31.9	6.0
GREAT NORTHERN HOTEL	LONDON	Hotel	24.6	4.6
RADISSON EDWARDIAN	GUILDFORD	Hotel	19.7	3.7
THE PALACE HOTEL	MANCHESTER	Hotel	15.6	2.9
MARRIOTT COURTYARD INN	HORLEY	Hotel	14.9	2.8
FOREST PINES HOTEL & GOLF RESO,ERMINE STREET	BRIGG	Hotel	12.4	2.3
HOLIDAY INN, PICARDY PLACE	EDINBURGH	Hotel	11.9	2.2
10 largest investments as % of portfolio			336.9	63.5

Source : PGIM Real Estate UK Ground Lease Fund

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	86	41.2	7.8
2.5 - 5	15	53.5	10.1
5-10	8	56.5	10.6
10-25	10	141.7	26.7
25 - 50	2	78.4	14.8
50 - 100	2	159.6	30.1
100-150	0	0.0	0.0
Over 150	0	0.0	0.0
Total	123	530.9	100.00
Average lot size		4.3	

Source : PGIM Real Estate UK Ground Lease Fund

Property Yield

Net initial yield	3.79%
Nominal equivalent yield	4.10%
True equivalent yield	0.00%
Net reversionary yield	4.14%

Source : PGIM Real Estate UK Ground Lease Fund

Voids as % of ERV

Investments	-
Developments	-
Total	-

Rental income & ERV by type of property

	Rental income %	Estimated rental value %
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	Not yet started	In progress+	All developments	Cost to complete schemes in progress+
GBPm	0	0	0	0
% of all directly held properties*	0.00%	0.00%	0.00%	0.00%

* Includes joint ventures in which the Fund has an interest of 50% or more

Source : PGIM Real Estate UK Ground Lease Fund

Valuations/performance monitors/affiliations

Frequency of valuation	Monthly, on the last calendar day of the month
Valuers	Knight Frank LLP
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	Yes
Member of the Association of Real Estate Funds	Full member

Source : PGIM Real Estate UK Ground Lease Fund

The contribution of major tenants to rental income

Tenant	%
PRINCIPAL HAYLEY GROUP LIMITED	17.5
PINBOARD NOMINEE 1 LIMITED & PINBOARD NOMINEE 2 LTD	12.7
HARBOUR PROPERTY HOLDINGS LTD	8.9
RIVERBANK HOTEL HOLDING BV	6.7
RSW PROPCOLIMITED	5.6
KING'S CROSS CENTRAL (TRUSTEE NO ONE) LIMITED	4.3
STANDARD LIFE INVESTMENTS	3.9
BE YEOVIL BV	3.6
COLEBY INVESTMENTS LIMITED	3.2
KEW GREEN HOTELS (GATWICK) LIMITED	3.2
Three largest tenants' contribution to rental income	69.6
Five largest tenants' contribution to rental income	69.6
Ten largest tenants' contribution to rental income	69.6

Source : PGIM Real Estate UK Ground Lease Fund

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	530.9	0.0	0.0	0.0	530.9
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	17.0	0.0	0.0	0.0	17.0
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	547.9	0.0	0.0	0.0	547.9
Gearing (%)					
Net debt (cash)/properties	-3.2	-	-	-	-3.2
Net debt (cash)/equity	-3.1	-	-	-	-3.1

Source : PGIM Real Estate UK Ground Lease Fund

Quarterly data per unit

As at	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Offer (GBP)	1.64500	1.58000	1.54700	1.50620	1.48120	1.41800
Net asset value (GBP)	1.64474	1.57955	1.54651	1.50622	1.48125	1.41764
Quarterly distribution (GBP)	0.00987	0.00894	0.01110	0.01255	0.01039	0.01299
Yield	2.5%	2.3%	2.6%	2.8%	2.9%	3.3%

Source : PGIM Real Estate UK Ground Lease Fund

Unit pricing

The unit price is calculated on the last business day of each month.

Distributions

Distributions are made quarterly, two calendar months after a Quarterly Accounting Date. Quarterly Accounting Date is defined as 31 March, 30 June, 30 September or 31 December.

Minimum investment/disinvestment

The minimum initial investment is GBP 100,000. Subsequent investments may be made for a minimum of GBP 50,000. The manager may at its discretion accept subsequent investments lower than this minimum amount. A Unitholder may not redeem units if in doing so its holding would fall

Creation, transfer and realisation of units

Issues are made at the discretion of the Manager and are normally monthly on a Dealing Day, which is the first business day after a Valuation Day. A Valuation Day is defined as the last Business Day of each month when a full valuation of the Fund takes place, or such other day as the Manager shall

Taxation

The following is a summary of current law and practice and is subject to change. The information should not be regarded as legal or tax advice.

Capital Gains Tax

Since it is registered in Jersey, the fund is not subject to UK capital gains tax. Those investors who are subject to tax may be liable to capital gains tax

Income Tax

While distributions of income are made net of UK Income Tax, non-taxpayers are entitled to reclaim any tax deducted at source.

Stamp duty reserve tax

No stamp duty is payable on the transfer of existing units.

Charges

With effect from 1 January 2022, the fees payable by all investors in the Fund have been revised from a flat management fee to a tiered structure,

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	0	0.0
1% or greater but less than 2%	0	0.0
2% or greater but less than 4%	1	3.1
4% or greater but less than 8%	0	0.0
Greater than 8.0%	5	96.9
Total	6	100.0
Major investors		
Largest holder	1	31.7
Three largest holders	3	79.7
Five largest holders	5	96.9
Ten largest holders	10	100.0
Internal/external investors		
Internal	0	0.0
External	6	100.0

Source : PGIM Real Estate UK Ground Lease Fund

Liquidity						
Period	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022	Year to Dec 2023	Year to Dec 2024
Issues and redemptions						
Units in issue as at start of period	402,334,438	402,701,755	402,701,755	402,701,755	402,551,439	386,460,772
Units issued during period	367,317	0	0	0	0	0
Units redeemed during period	0	0	0	-150315.66	-16090667	0
Units in issue at end of period	402,701,755	402,701,755	402,701,755	402,551,439	386,460,772	386,460,772
Unit transfers						
Matched bargains	19753429.66	9,400,263	0	0	0	0
Matched bargains %*	0.049052256	2%	0%	0%	0%	0.00%

* as % of units in issue at the end of the period

Source : PGIM Real Estate UK Ground Lease Fund