PRISA

Bay County Employees' Retirement System

April 17, 2018

PGIM Real Estate

PGIM

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PGIM REAL ESTATE REPRESENTATIVES

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PRISA or PRISA Composite reflects the combined assets and performance of all assets held by PRISA SA and PRISA LP. Although this is not an actual fund in which any client is invested, it is indicative of the overall performance of the PRISA investment strategy and, therefore, the PRISA Composite returns and portfolio metrics will be provided to NCREIF for inclusion in the NFI-ODCE and other NCREIF Indices. PRISA may also refer to the PRISA portfolio and asset management teams.

Important Note on Historical Information: Economic terms and other portfolio metrics reported for PRISA, PRISA SA or PRISA LP that include periods to the formation of PRISA LP reflect information for PRISA SA for those periods prior to January 1, 2013 . Prior to the formation of PRISA LP, PRISA and PRISA SA were one in the same.

Please see Appendix for important disclosures about PRISA's structure.

Note: Data as of December 31, 2017 is preliminary and subject to change. Unless otherwise stated, all return information provided in this presentation is before the deduction of Manager Compensation/Fees and is not a guarantee or a reliable indicator of future results. All performance targets throughout this presentation are made as of June 30, 2017 and are not guaranteed. Effective January 1, 2013, PGIM Real Estate changed its method for calculating income and appreciation returns to one which uses separate geometric linking for each component, which is consistent with recent changes in Global Investment Performance Standards. As a result, when linking multiple periods' returns, the cumulative effect of cross compounding may cause the sum of income and appreciation returns to not equal the total return. Please refer to the Appendix for returns after the deduction of Manager Compensation/Fees and for other important disclosures regarding the information contained herein.

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I. PGIM Real Estate Overview

Strength & Stability

Deep Financial Strength and a Long History of Real Estate Experience

Prudential Financial, Inc. (PFI)

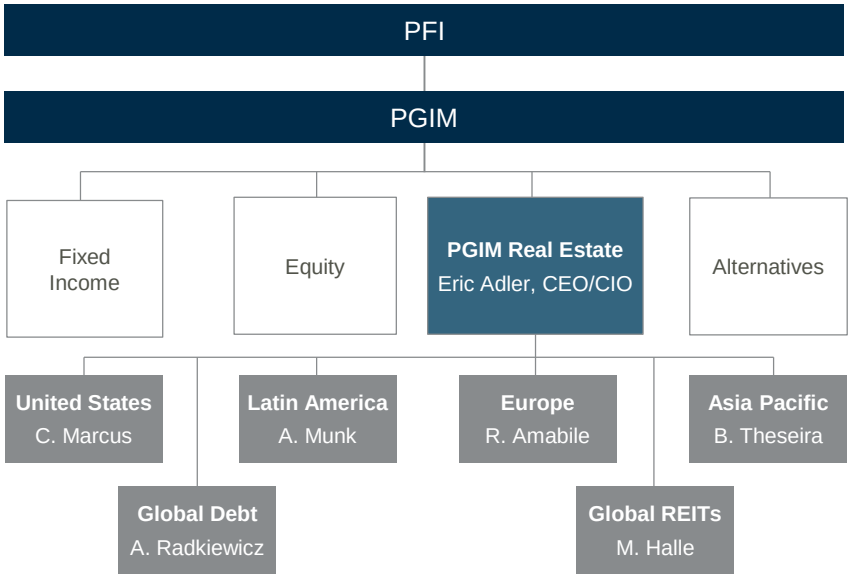
- Over 140 years of managing assets
- Listed on the NYSE (New York Stock Exchange, NYSE: PRU)
- US$1.39 trillion[1] of AUM
- One of the largest insurance companies in the United States
- A rated (Issuer Credit Rating)[2] by Standard & Poor's

PGIM

- Global Asset Manager with over US$1 trillion[3] of AUM
- Top 10 Worldwide Institutional Money Manager[4]
- $160.8 billion in combined real estate equity and debt AUM and AUS[5]

PGIM Real Estate

- US$69.6 billion[6] gross AUM globally



[1] As of December 31, 2017. [2] As of February 7, 2018. Source: Standard & Poor's. [3] Includes all assets managed by PGIM, Inc., the principal asset management business of PFI. Assets include public and private fixed income, public equity – both fundamental and quantitative and real estate) as of December 31, 2017. [4] As of May 30, 2017. Source: Pensions and Investments, Top Money Manager's List. Based on PFI total worldwide institutional assets under management as of December 31, 2016. [5] Inclusive of PGIM Real Estate and PGIM Real Estate Finance AUM and AUS. As of December 31, 2017. [6] As of December 31, 2017, inclusive of GRES, total net assets under management equal $49.9 billion.

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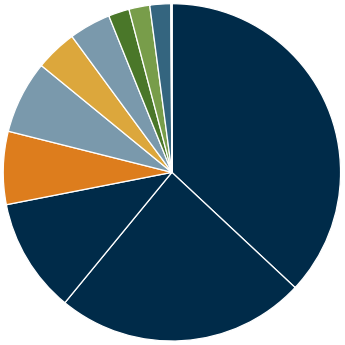
Global Assets Under Management

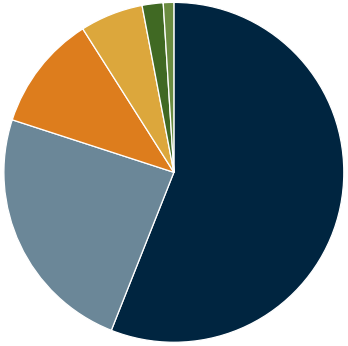
Total Gross Assets Under Management: $69.6 Billion[1]

CLIENT TYPE
(BASED ON NAV)[1]



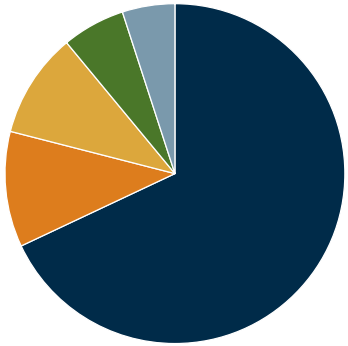
72%	Pension Plans[2]
11%	Individual[3]
7%	Insurance
4%	Sovereign Wealth Fund
2%	Other Institutional
2%	Fund of Funds/Aggregators
2%	Endowment/Foundation

INVESTMENT STRATEGY
(BASED ON GAV)[1]



56%	Core
24%	Core Plus
11%	Value-Added
6%	Global Real Estate Securities
2%	Debt
1%	Opportunistic

ASSETS BY REGION / BUSINESS
(BASED ON GAV)[1]



68%	United States
11%	Europe
10%	Asia Pacific
6%	Global Real Estate Securities
5%	Latin America

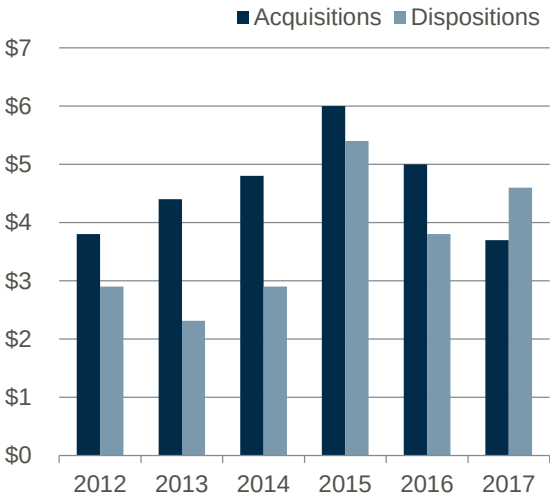
[1] As of December 31, 2017, total net global assets under management equal $49.9 billion. [2] Comprised of Public Pension (37%), Private Pension (24%), Union Pension (11%).
[3] Comprised of Retail/Mass Affluent (7%), Defined Contribution (4%), High Net Worth (<1%), Family Office (<1%). Note: Percentages may not sum to 100% due to rounding.

PGIM Real Estate Americas - U.S. Business

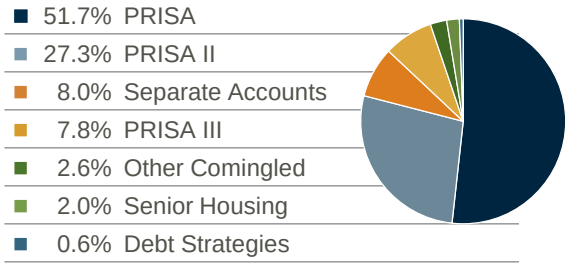
Extensive Resources Committed to Delivering Innovative Strategies

Overview
AUM: $47.3B gross[1]
301 Employees / 162 Investment Professionals[2]
6 Cities

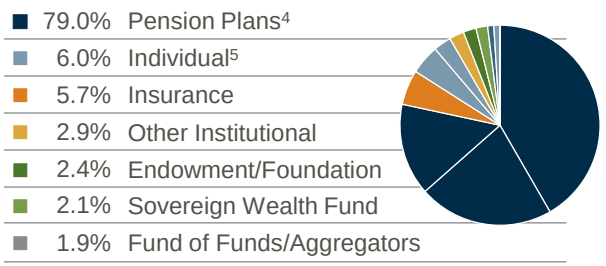
U.S. ACQUISITIONS & SALES HISTORY ($ BILLIONS)



DISTRIBUTION BY FUND
(BASED ON GAV)[1]



SOURCE OF FUNDS' CAPITAL
(BASED ON NAV)[1,3]



[1] As of December 31, 2017, total net U.S. assets under management equal $34.7 billion. [2] Staffing as of December 31, 2017 in allocated full-time employees. [3] Non-U.S. entities make up 10.7% of U.S. NAV. [4] Comprised of Public Pension (41.5%), Private Pension (22.3%), Union Pension (15.2%). [5] Comprised of Retail/Mass Affluent (1.0%), Defined Contribution (4.9%), High Net Worth 0.1%), Family Office (0.04%). Note: Percentages may not sum to 100% due to rounding.

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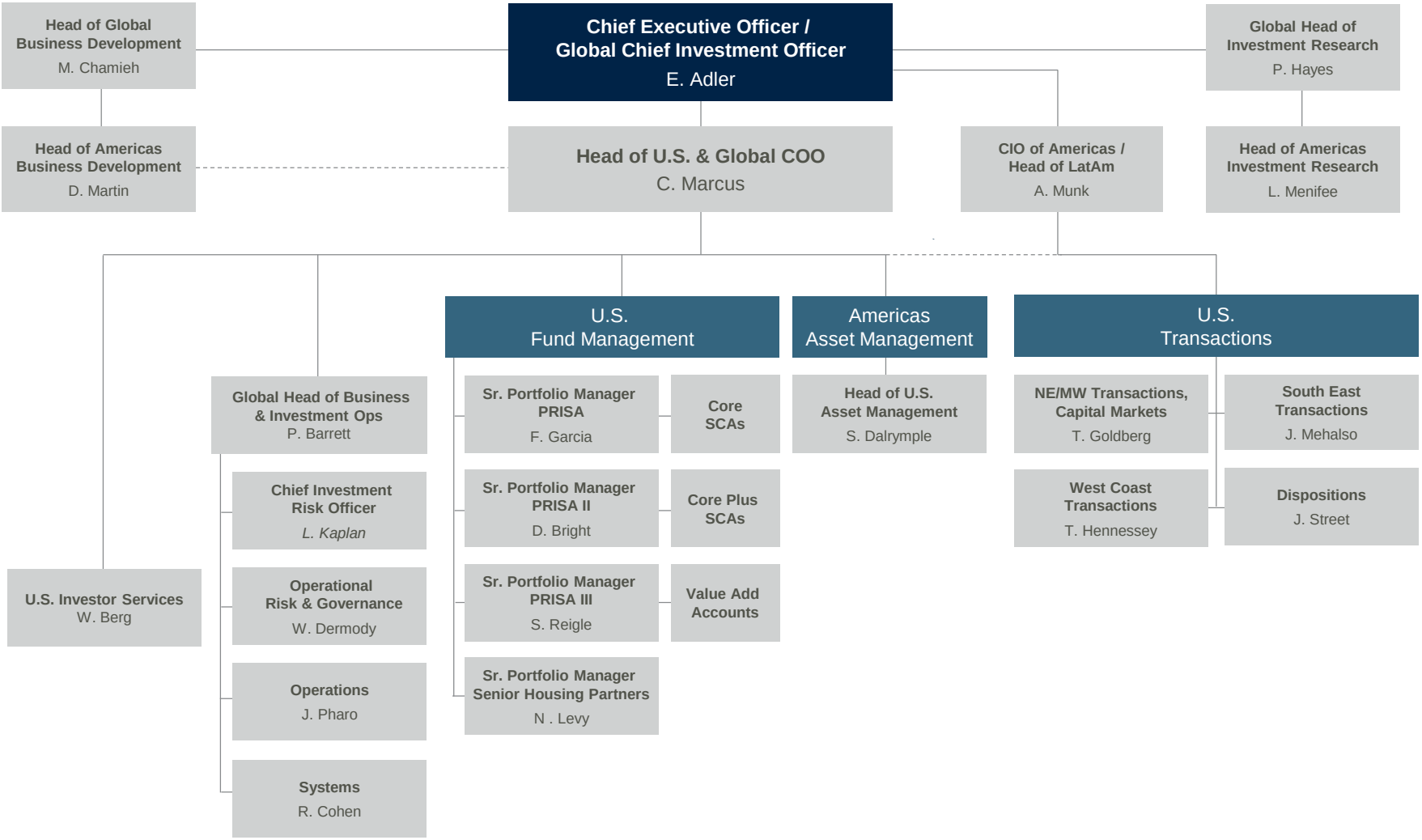
PGIM Real Estate U.S. Organization Chart

Effective January 1, 2018



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PRISA Family of Funds

As of December 31, 2017

	PRISA[1]	PRISA II	PRISA III
Strategy	Core	Core-Plus	Value-Add
Structure & Status	Open-End, Perpetual Life (Accepting new commitments)	Open-End, Perpetual Life (Accepting new commitments)	Open-End, Perpetual Life (Accepting new commitments thru 3Q18)
Objective	NFI-ODCE	NFI-ODCE +100 bps	11.00% to 14.00%[2]
Portfolio Leverage	≤ 30%	≤ 40%	≤ 65%
Targeted Non-Core Exposure	≤ 10%	≤ 35%	≤ 60%
Return Focus	Income	Income + Appreciation	Appreciation
Property Type Focus	Fully Diversified	Diversified	Diversified
Geographic Focus	U.S. Diversified	U.S. Diversified	U.S. Diversified
Size			
GAV	$24.5B	$12.9B	$3.7B
NAV	$19.7B	$8.3B	$1.8B
Inception	1970	1980	2003

[1] PRISA represents the aggregate or composite of PRISA LP and PRISA Separate Account (PRISA SA).

[2] Net target return for PRISA III is 9.3% - 12.3%. There is no guarantee that targeted returns will be achieved.

II. Market Outlook

U.S. Near-Term Real Estate Market Outlook

As of Fourth Quarter 2017

Moderating real estate market environment

- Steady core returns in the 6-8% range
- Occupancies have plateaued at historically high levels
- Investment activity has cooled, now in line with 2014 and 2016 paces

Stable pricing with balanced investor demand

- Cap rates have leveled out, but still few signs of upward pressure (with the exception of retail)
- Ample debt availability for stabilized assets, more limited for value add and construction
- Attractive yield spreads in non-Gateway and infill suburban markets

Solid and improving demand drivers…

- Balanced economic expansion, with robust job additions now accompanied by rising wages
- Consumer and business confidence at cyclical highs

…but steady supply additions slowing revenue growth

- Multifamily and industrial construction remains active, so far matched by demand
- All property types experiencing positive, but decelerating, rent growth

Short-term favors office and industrial, stronger long-term outlook for apartments and storage

- Office: substantial embedded office income growth as below-market leases expire
- Industrial: strong demand tailwinds fueling robust rent growth
- Apartments: supply continues to come online, but healthy demand showing signs of acceleration
- Retail: downsizing and e-commerce headwinds to persist, except in top locations
- Storage: near-term supply will moderate rent gains

Icon (Atlanta, GA)

Source: PGIM Real Estate. As of 4Q17.

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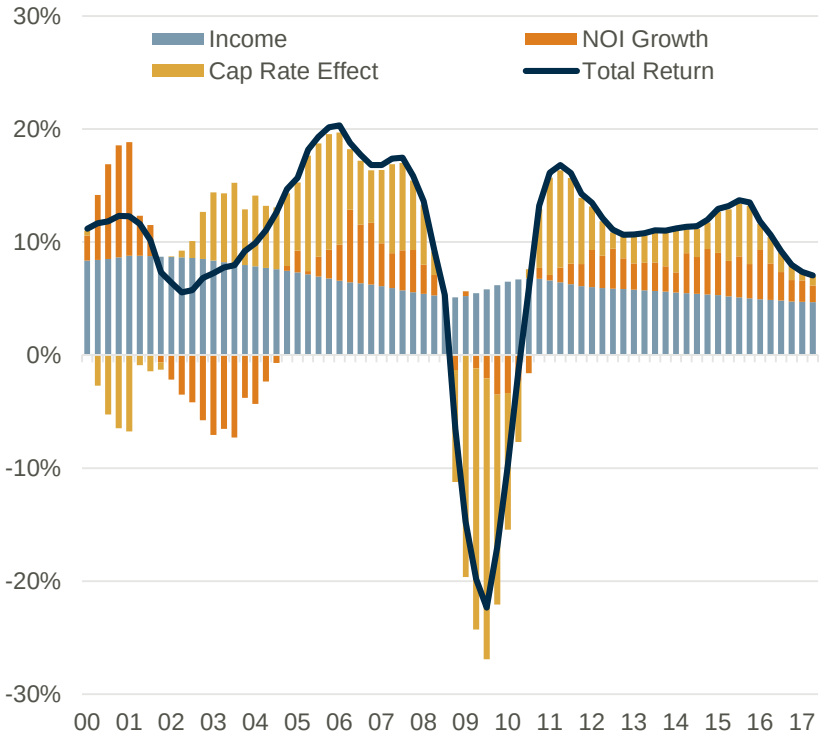
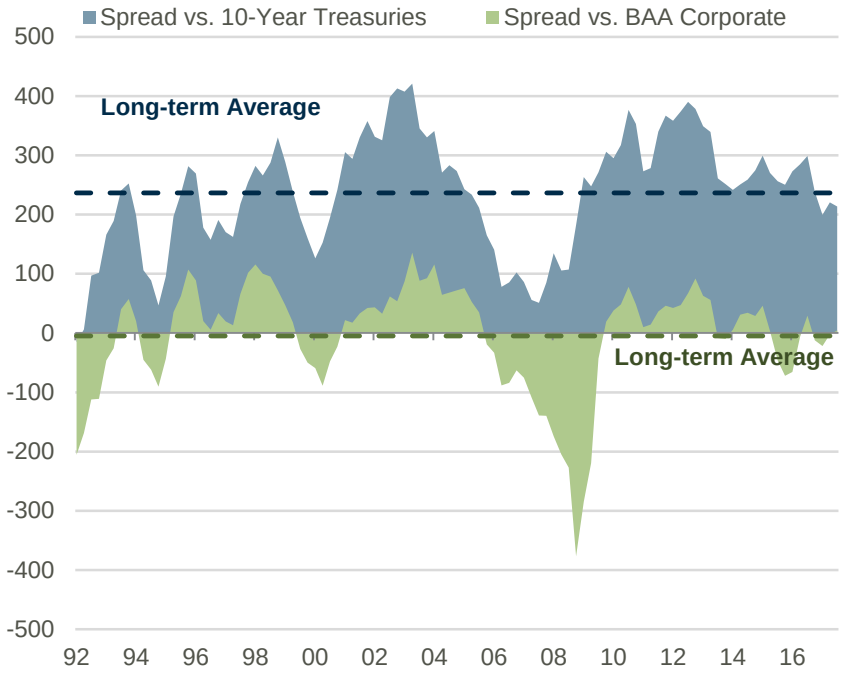
On a Relative Basis, Real Estate Is Fairly Valued

NCREIF PROPERTY INDEX UNLEVERAGED REAL ESTATE RETURN



SPREAD OF NPI CAP RATE TO TREASURIES AND CORPORATE BONDS (BASIS POINTS)



It's all about yield and NOI growth over the next few years.

Property yields are low on an historic basis, but real estate looks fairly valued compared to corporate bonds.

Source: Federal Reserve Board, NCREIF, PGIM Real Estate. As of 4Q 2017.

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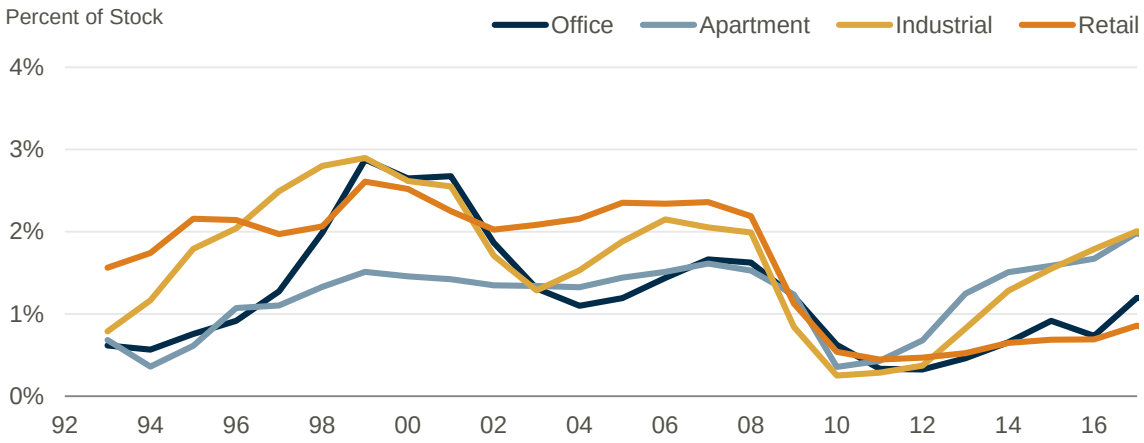
Development Pipelines at Different Stages

NET ADDITIONS AS A PERCENTAGE OF EXISTING STOCK



Averages by Property Type				
Averages	Office	Apartment	Retail	Industrial
10-Year	0.9%	1.2%	1.0%	1.1%
20-Year	1.3%	1.3%	1.6%	1.7%
5-Year Forecast ‘18 – ‘22	0.9%	1.3%	1.0%	1.7%

Pipeline Summary: mid-term delivery expectations are near or below long-term average levels across sectors.

Development Lending: standards have tightened considerably for development, with LTC declining to 55% from 65% a year ago.

Office: increased supply in hot markets, low everywhere else.

Warehouse: strong demand for newer, more efficient space.

Retail: low development as firms adapt to e-commerce and shifting space requirements.

Apartment: increased supply makes market-selection more important.

Sources: Axiometrics, CoStar, PGIM Real Estate. As of 3Q 2017.

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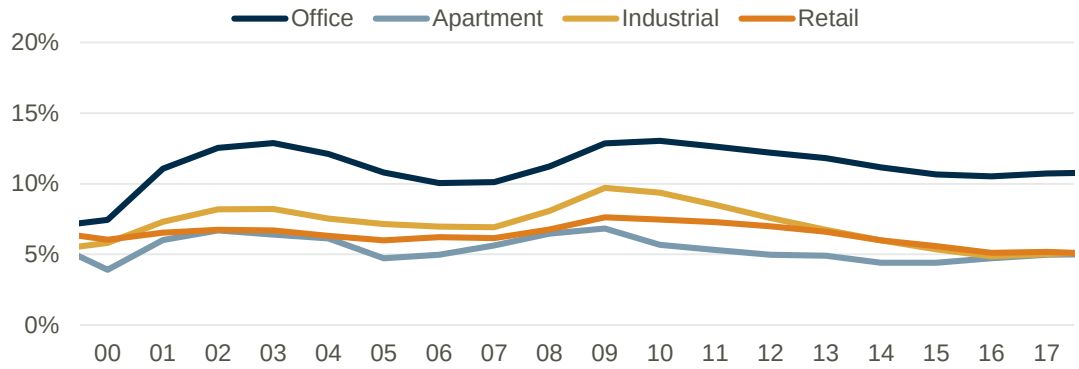
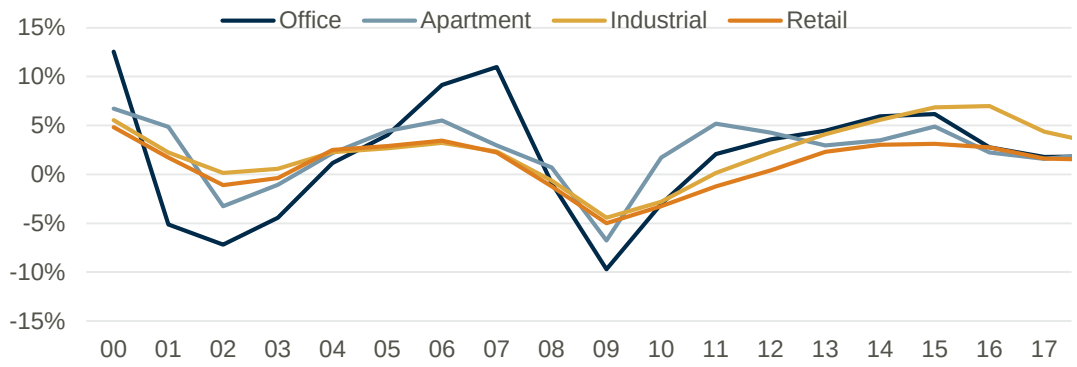
Solid Occupancy & Rent Growth Outlook

PROPERTY SECTOR VACANCIES



Averages by Property Type	Office	Apartment	Retail	Industrial
10-Year	11.6%	5.3%	6.5%	7.3%
20-Year	10.7%	5.3%	6.5%	7.0%
5-Year Forecast '18-'22	11.0%	4.9%	5.4%	5.5%

U.S. RENT GROWTH



Averages by Property Type	Office	Apartment	Retail	Industrial
10-Year	2.2%	2.2%	0.3%	2.0%
20-Year	2.9%	2.6%	1.4%	2.5%
5-Year Forecast '18-'22	1.8%	2.6%	1.4%	2.5%

Note: Future data cannot be guaranteed.
Sources: CoStar, Axiometrics, PGIM Real Estate. As of 3Q17.

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III. PRISA

PGIM Real Estate

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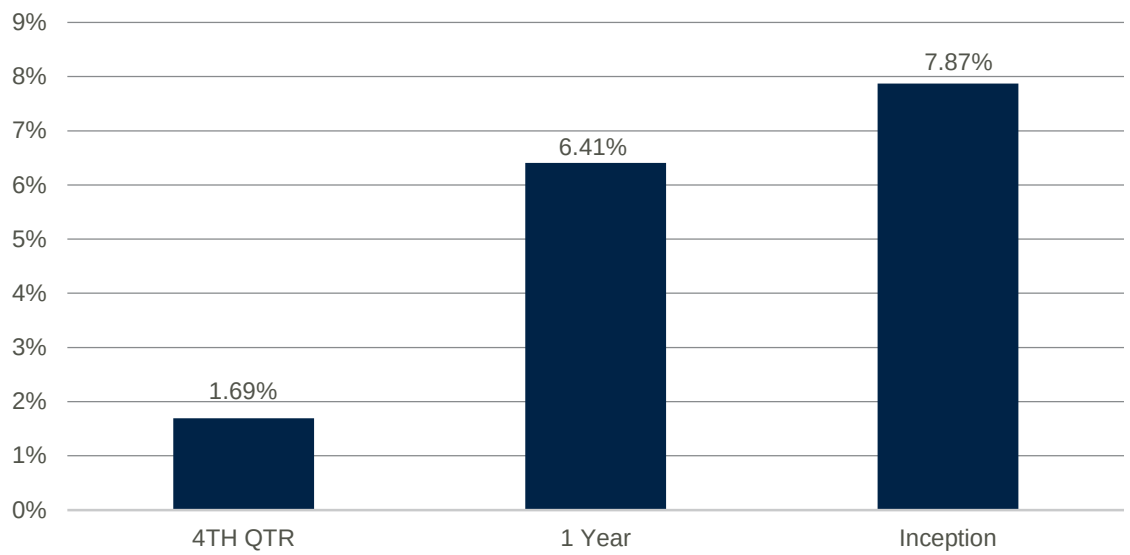
Bay County Employees' Retirement System

PRISA LP Assets as of December 31, 2017

Investment Details	
Contributions (03/31/2015 Inception Date)	
All Previous	$4,187,087.00
09/30/2015	$5,812,913.00
06/30/2016	$4,400,000.00
Total Contributions	$14,400,000.00
Investment Earnings	
Investment Income	$1,509,676.85
Appreciation	$1,332,219.44
Total Investment Earnings	$2,841,896.29
Disbursements	
Withdrawals	$0
Deducted Fees	($338,995.21)
Cash Flow Distributions	$0
Total Disbursements	($338,995.21)
Market Value	$16,902,901.08

NET DOLLAR-WEIGHTED PERFORMANCE



Operating Cash Flow		Capital Commitments	
Total Distributed	$0	Undrawn Commitments	$0
Total Reinvested	$1,179,448		
Current Election	Reinvesting		
4Q17 Cash Flow	$195,379		

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

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Disclaimer Regarding PRISA Information Presented

Unless indicated otherwise by referencing PRISA SA or PRISA LP specifically, this presentation contains financial and other information about PRISA Composite ("PRISA", "PRISA Composite" or the "Fund"). PRISA Composite reflects the aggregate holdings, leverage and operations of PRISA SA and PRISA LP. While PRISA Composite is not a fund in which any investor may invest, its performance is indicative of each of PRISA SA and PRISA LP and is reported to ODCE. PRISA SA and PRISA LP are separate investment vehicles with separate terms (including fee structures) that invest in substantially the same assets, as further described in "PRISA Structure" in the Appendix section **PRISA SA, PRISA LP, and Net Returns Addendum**. The performance of each of PRISA SA and PRISA LP, on a separate basis, may differ materially from PRISA Composite.

For information about the performance and other data regarding the fund in which they are invested (i.e., PRISA SA or PRISA LP, as applicable), investors should review the **PRISA SA, PRISA LP, and Net Returns Addendum** in the Appendix and consult the statements and reports provided to them pursuant to their investment agreements, including their individual client statements, financial statements and quarterly reports, in each case, which include data exclusively related to PRISA LP or PRISA SA, as the case may be.

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PRISA[1] Summary

Income-Oriented Core Fund Seeking to Outperform NFI-ODCE

- Open-end commingled U.S. core real estate fund delivering outperformance since NFI-ODCE inception[2]
- Focus on durable income which represents over 85% of total gross return since inception
- Scale allows for ample diversification and access to irreplaceable assets in major gateway markets
- Overweight to strategic markets and attractive sector weightings to all major property types and self storage

Inception Date	July 1970
Since Inception Gross Return	9.0% (7.9% net)
Benchmark	NFI-ODCE
Gross Asset Value	$24.5B
Net Asset Value	$19.7B
Number of Investments	267

100 Park Avenue (New York, NY)

[1] PRISA Composite (or "PRISA") represents the aggregate or composite of PRISA LP and PRISA Separate Account (PRISA SA). As of December 31, 2017. [2] NFI-ODCE inception date March 31, 1978.
Note: Past performance is not a guarantee or a reliable indicator of future results.

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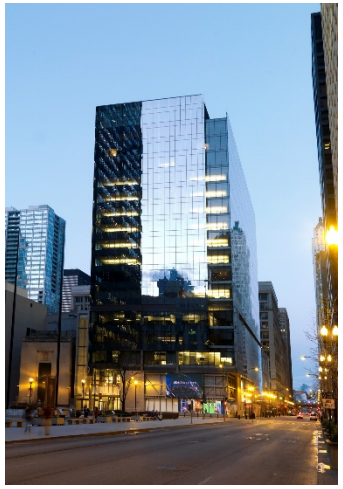
PRISA Representative Properties

Office | International Place
(Boston, MA) 1,840,719 SF

Apartment | Fillmore Center
(San Francisco, CA) 1,114 units

Apartment/Retail/Office | Avalon
(Alpharetta, GA) 582,101 SF / 526 Units



Office | 22 West Washington
(Chicago, IL) 439,434 SF

Office | 11 Madison
(New York, NY) 2,359,884 SF

Storage | Extra Space Storage Portfolio
(Various Locations) 6,549,831 SF

Office | Post Montgomery
(San Francisco, CA) 680,253 SF

Industrial | Park 70 - Amazon
(Denver, CO) 1,016,116 SF

PRISA's Team

Large Team Focused on PRISA's Strategy

PRISA'S PORTFOLIO MANAGEMENT TEAM

Frank E. Garcia
Managing Director
Senior PM
Years with Firm: 4
RE Experience: 24

Joanna Mulford
Managing Director
PM & PRISA's CFO
Years with Firm: 28
RE Experience: 21

James Glen
Executive Director
PM
Years with Firm: 3
RE Experience: 17

Catherine Minor
Vice President
Assistant PM
Years with Firm: 2
RE Experience: 18

PRISA'S ASSET MANAGEMENT LEADS

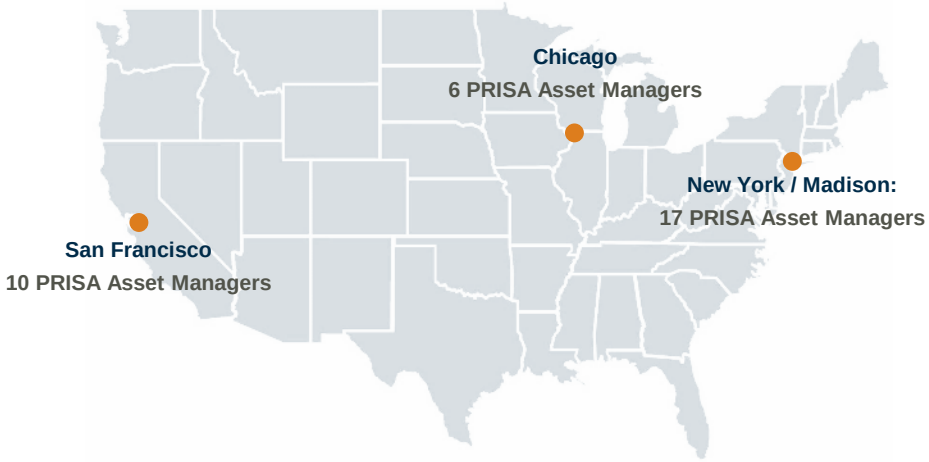
West
Kristin Paul
(6 / 19)

Midwest
Mark Vande Hey
(21 / 37)

East / Retail
Carly Miller
(10 / 19)

Apartment
Yetta Tropper
(2 / 21)

- Experienced portfolio management team with complementary skill sets
- 33 asset managers aligned by region and strategy
- Three additional portfolio-level team members focused on analytical and strategy support
- Additional oversight/input from PGIM Real Estate's Head of Americas Asset Management



(xx / xx) = Years with PGIM Real Estate / Real Estate experience.

Note: Effective January 2018. PRISA also benefits from 4 operational staff support.

PRISA – 2017 Report Card

	2017 Target	Full-Year 2017[2]	Comments
Performance	Income: 4.5% to 5.0% Appreciation:1.5% to 3.0% **Total: 6.0% to 8.0%[1]**	Income: 4.62% Appreciation: 2.76% **Total: 7.47%[3]**	▪ 2017 total return was within target range ▪ Industrial contributed the strongest total returns which was supported by healthy appreciation
Income Growth	**> 4%**	**4.0%**	▪ Income growth was the main driver of appreciation ▪ Industrial had the most significant income growth ▪ Storage also produced above average growth

Transactions Target	**2017 Acquisitions:** $750M - $1.25B
	2017 Dispositions: $750M - $1.00B
		$663.6M
		$1,323.3M
			▪ Net seller with more dispositions of “non-strategic” assets than prior years
			  ▪ Reduced exposure to office and power centers
			  ▪ Exited hotels
			▪ Increased exposure to the apartment and industrial sectors through new acquisitions

Risk Metrics	LTV: low 20% range Debt to Income: 5.0x Non-Core: 10%	LTV: 19.8% Debt to Income: 4.8x Non-Core: 9.5%	▪ Risk metrics are healthy and in line with long-term targets ▪ Focused on lower-risk opportunities within non-core

[1] Total net target returns of 5.0% - 7.0%. Target returns are not guaranteed. [2] Past performance is not a guarantee or a reliable indicator of future results. [3] Total full-year 2017 net return is 6.59%.

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PRISA Composite Snapshot[1]

As of December 31, 2017

Scale	
Gross Asset Value	$24.5B
Net Asset Value	$19.7B
Number of Investments	267
Number of Clients	329

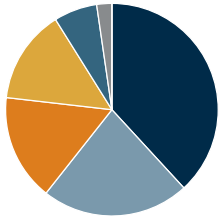
Key Risk Metrics	Actual	Guideline
Core	90.5%	≥ 90%
Leverage Ratio	19.8%	≤ 30%
Debt to Income Multiple	4.8x	≤ 5.0x

Client Activity	4Q17	Full-Year
Deposits	$390.8M	$1,487.6M
Cash Flow Reinvested	$106.1M	$340.6M
Withdrawals	$489.4M	$1,199.7M
Cash Flow Distributions	$121.7M	$398.5M

Eleven Times Square (New York, NY)

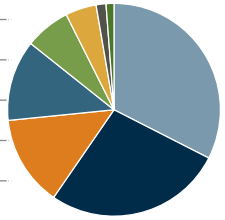
PROPERTY TYPE DIVERSIFICATION[2]

38.1%	Office
22.5%	Apartment
16.2%	Retail
14.3%	Industrial
6.6%	Storage
2.3%	Other[3]



GEOGRAPHIC DIVERSIFICATION[2]

32.5%	Pacific
27.1%	Northeast
13.8%	Southeast
12.3%	Mideast
6.9%	EN Central
4.7%	Southwest
1.5%	Mountain
1.2%	WN Central

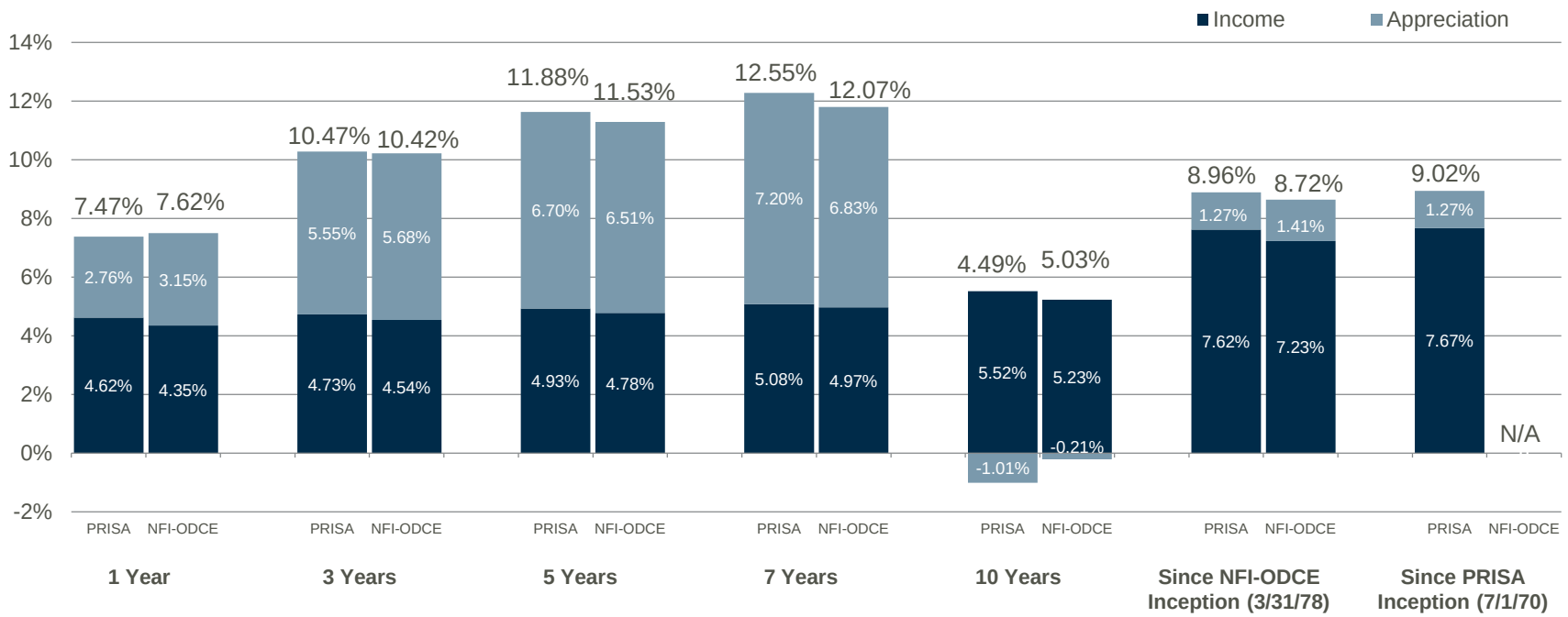


[1] PRISA Composite represents combined assets held by PRISA SA and PRISA LP. [2] Based on PRISA's preliminary share of gross market value in properties and debt investments. [3] Other includes Harbor Garage and Land.
Note: There is no guarantee these targets will be achieved. Please see page 16 for important information regarding PRISA Composite.

PRISA Composite Gross Performance

As of December 31, 2017

PRISA COMPOSITE GROSS RETURNS VS. NFI-ODCE GROSS RETURNS[1]



PRISA COMPOSITE NET RETURNS VS. NFI-ODCE NET RETURNS BY YEAR

	2017	2016	2015	2014	2013	2012	2011	2010
Total	6.59%	8.02%	14.51%	12.53%	13.83%	8.76%	18.03%	17.15%
Spread vs. NFI-ODCE	-7 bps	+23 bps	+56 bps	+107 bps	+93 bps	-103bps	+307 bps	+189 bps

[1] Performance information regarding PRISA SA or PRISA LP, as applicable, along with performance net of manager compensation/fees, appears in the Appendix. Returns for periods prior to January 1, 2013 are based upon PRISA 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 final report published by NCREIF on January 30, 2018. Past performance is not a guarantee or a reliable indicator of future results.

PRISA Drivers of Performance

One-Year Ending December 31, 2017

PRISA Unlevered Returns by Sector – 1-Year

	Income	Appreciation	Total
Industrial	5.09%	10.00%	15.46%
Storage	5.72%	5.05%	10.98%
Retail	5.43%	0.44%	5.89%
Office	4.24%	0.77%	5.04%
Apartment	3.99%	1.01%	5.03%

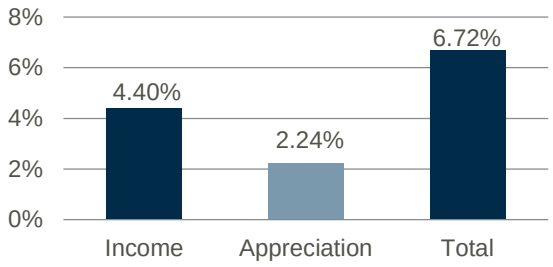
Industrial

The industrial portfolio generated the highest total returns, which was primarily driven by value gains

- Appreciation continues to be driven by outsized NOI growth (11.9% TTM)
- Portfolio occupancy increased by 160 bps year-over-year to 96.3% on a same property basis, with particular strength in Southern California

Park 70 - Amazon (Denver, CO)

PRISA's Total Unlevered Returns – 1-Year



Storage

The storage portfolio generated the second highest total returns due to strong income and appreciation

- Occupancy remains high at 92.6% with an increase of 39 bps since last year
- While beginning to moderate, NOI growth remains healthy as rental rates continue to increase

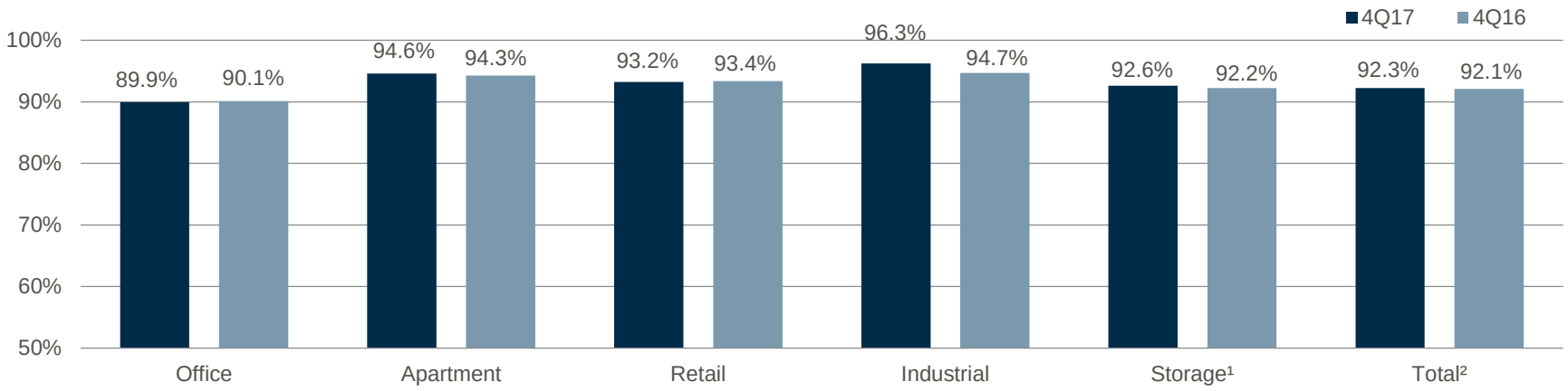
Extra Space Storage Portfolio (Various)

Note: As of December 31, 2017. Past performance is not a guarantee or a reliable indicator of future results.

PRISA Occupancy & Income Growth

As of December 31, 2017

SAME PROPERTY LEASED STATUS



Same Property NOI[3]	Trailing 12-Months As of 12/31/17 ($ millions)	YTD NOI Growth %
Industrial	$154.5	11.9%
Office	$389.9	6.0%
Storage	$86.2	4.9%
Apartment	$189.8	0.2%
Retail	$200.1	-1.4%
Total Same Property NOI[4]	$1,031.1	4.0%

[1] Represents average leased status for the quarter. [2] Same property leased status for total portfolio weighted based on gross market value. [3] 100% Property level unlevered. To provide a more meaningful basis for comparison between periods, property net income excludes income from properties that were purchased or sold during the comparative time periods, land and debt investments. [4] Total Same property NOI of $1,031.1 million represents 86% of PRISA's total NOI. Includes Harbor Garage which represent $10.6 million of NOI.

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

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PRISA's Strategic Plan 2018-2020

Strategy For Long-Term Attractive Risk Adjusted Performance

- Continue shift to long-term strategic weightings
  - Reduce office exposure through non-strategic asset sales
  - Increase multifamily and industrial through core and build-to-core acquisitions
  - Decrease exposure to commodity retail
  - Maintain storage allocation
- Remain overweight to long-term strategic markets, but explore investments in select tactical markets
- Preference for urban and infill suburban locations
- Continually upgrade portfolio through acquisitions and tactical sales
  - Monitor for investment opportunities due to any market dislocation
- Ongoing risk focus
  - Maintain healthy debt metrics through a low-20% LTV and 5.0x debt-to-income ratio
    - Optimize term, rate, rollover and flexibility
    - Reserve debt for long-term hold and non-core assets
  - Remain near 10% guideline on non-core with selective investment focus on apartment and industrial build-to-core development
  - Avoid style drift and excessive vintage year risk

Perris Valley Logistics Center (Perris, CA)

Roosevelt Collection (Chicago, IL)

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PRISA's Strategic Markets

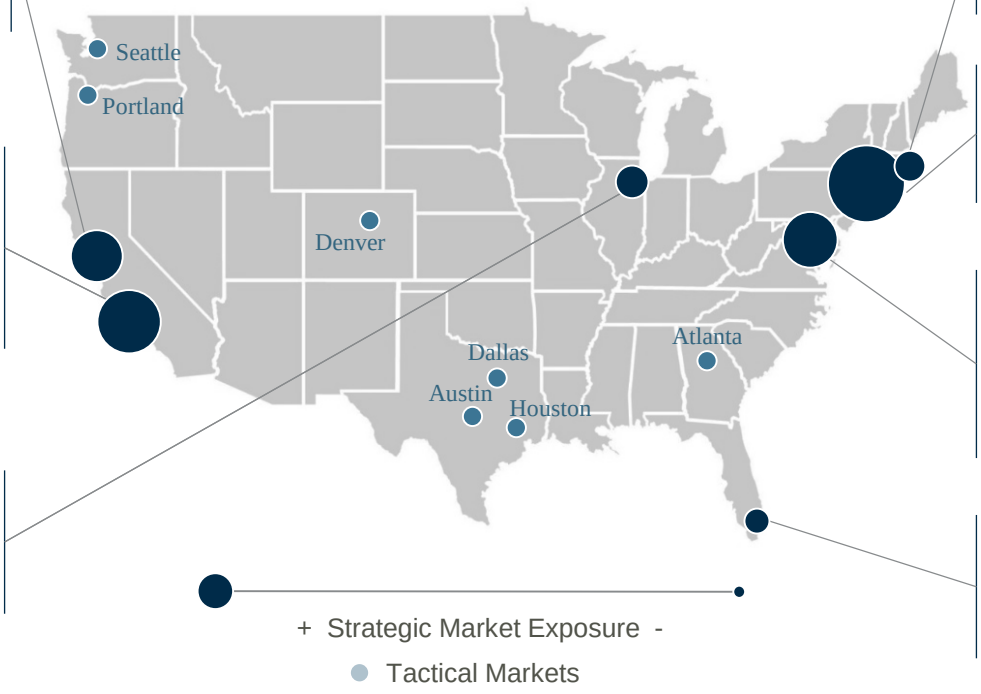
Research-Driven Market Strategy

- PRISA strategic market exposure represents 76% of the portfolio vs. 67% of NFI-ODCE[1]

San Francisco
$2,873.6M
12.0%

Los Angeles
$3,496.1M
14.6%

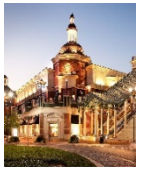
Chicago
$1,579.6M
6.6%



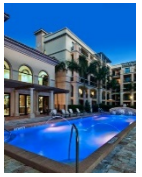
Boston
$1,841.2M
7.7%

New York
$4,384.2M
18.4%

Washington, D.C.
$2,559.7M
10.7%



Miami
$1,508.9M
6.3%



[1] NFI-ODCE does not publish detailed property information. Market information is based on CSA definitions and calculated by extracting NFI-ODCE property data from the NCREIF Research Database. Data as of December 31, 2017. Note: Please see page 16 for important information regarding PRISA Composite.

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PRISA Property Type Strategy

Shifting to Long-Term Strategic Allocations

	2017 Year-End Exposure[1]	Change in Exposure (bps) During 2017[1]	Target Movement of Exposure 2018-2020	PRISA Exposure Target 2018-2020[2]	NFI-ODCE 12/31/2017[3]
Office	38.1%	-280	↓	30-35%	37.5%
Apartments	22.5%	+230	↑	25-30%	25.1%
Retail	16.2%	-130	↓	10-15%	19.0%
Industrial	14.3%	+170	↑	15-20%	14.6%
Storage	6.6%	+40	↔	5-10%	2.3%
Hotel	0.0%	-30	N/A	0%	0.6%

[1] Based upon PRISA's share of GMV in properties and debt investments. [2] There is no guarantee that these targets will be achieved. [3] Diversification as of 4Q17 is based on NFI-ODCE gross market value in the NCREIF Performance Attribution Report.

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PRISA Core Component: 90.5% of Portfolio GMV

As of December 31, 2017

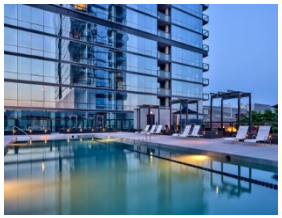
- Income producing assets with balanced lease rollover
- Core component totals 90.5% of GMV[1]
- 53%[2] of the portfolio is comprised of unencumbered wholly owned assets

Office

International Place
(Boston, MA)

- $8.8B of gross real estate
- 42 assets
- 17.5M sf
- 91% leased
- 39.9% allocation

Apartment



SoNo East
(Chicago, IL)

- $4.5B of gross real estate
- 50 assets
- 12,801 units
- 95% leased
- 20.2% allocation

Retail

Mercato
(Naples, FL)

- $3.9B of gross real estate
- 61 assets
- 12.5M sf
- 94% leased
- 17.5% allocation

Industrial

Perris Valley Logistics
(Perris, CA)

- $3.2B of gross real estate
- 69 assets
- 25.2M sf
- 98% leased
- 14.7% allocation

Storage

Extra Space Storage
(Woodbridge, VA)

- $1.5B of gross real estate
- 98 assets
- 7.8M sf
- 93% leased
- 6.8% allocation

[1] Based on current exposure plus unfunded commitments and assumes no stabilization of non-core assets; basis on which guideline is measured. [2] Based on number of investments as of December 31, 2017.

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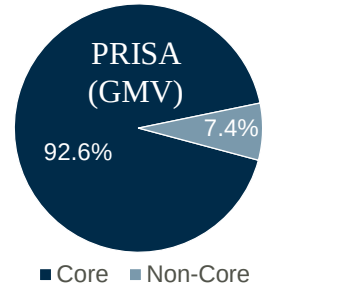
PRISA Non-Core Component: 9.5% of Portfolio GMV

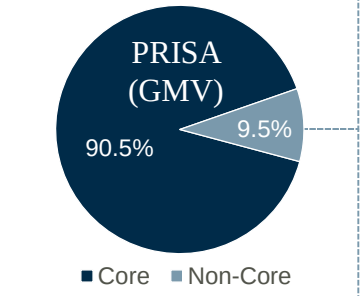
Value Creation Through Build-to-Core Strategies

- Targeting non-core exposure close to maximum guideline of 10% (based on committed exposure)
- Extensive JV network – deal sourcing / mitigates development risk
- Focus on lower risk apartment and industrial development
  - Current market value for build-to-core developments appraised or sold in the current cycle is 35%[1] over cost
- Investments move to “core” once they achieve 80% leased status

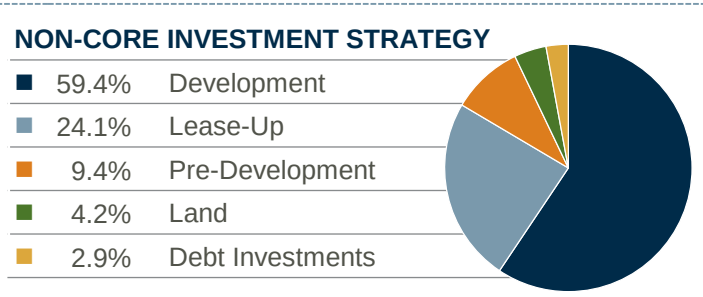
CURRENT EXPOSURE[2]



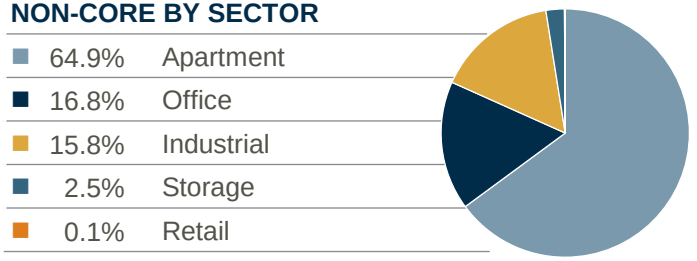
COMMITTED EXPOSURE[3]



NON-CORE INVESTMENT STRATEGY



NON-CORE BY SECTOR



[1] Statistic based on 100% of GMV. Based on net equity, exposure breakout is Core: 93.9%; Non-Core: 6.1%. [2] Based on PRISA’s share of gross market value in properties and debt investments. [3] Current exposure plus unfunded commitments and assumes no stabilization of non-core assets; basis on which guideline is measured.

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PRISA Build-to-Core Pipeline – Under Construction[1]

$1.7B of Projects in Process - Creating Future Value

1Q18 $514M

The Quincy (New Brunswick, NJ)
Cost: $115M; 393 units

Eastgate B (Perryman, MD)
Cost: $43M; 656,880 sf

The Sofia (Coral Gables, FL)
Cost: $72M; 213 units

Andrews Federal Campus Building B (Prince George's County, MD)
Cost: $19M; 167,033 sf

Continuum (White Plains, NY)
Cost: $122M; 288 units

The Katy (Dallas, TX)
Cost: $143M; 463 units

2Q18 $180M

Emerystation West (Emeryville, CA)
Cost: $180M; 261,602 sf

3Q18 $276M

The Modern Phase II (Fort Lee, NJ)
Cost: $276M; 450 units

3Q19 $135M

Related Stratford (Atlanta, GA)
Cost: $135M; 362 units

4Q19 $556M

Neptune Marina (Marina del Rey, CA)
Cost: $303M; 526 units

Modera Glisan (Portland, OR)
Cost: $119M; 295 units

Broadstone Heritage Village Phase I (Santa Ana, CA)
Cost: $134M; 335 units

[1] As of January 2018. Timing based on estimated completion. Values are based on 100% development budget expected at completion.

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Transaction Activity

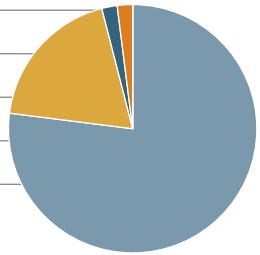
One-Year Ending December 31, 2017

Acquisitions: $0.7B[1] (14 assets)

- Focus on buying and/or building long-term hold core assets in strategic and select tactical markets
- Recent emphasis on apartments
- Broadly diversified geographically

PROPERTY TYPE [1]

77%	Apartment
19%	Industrial
3%	Storage
1%	Retail

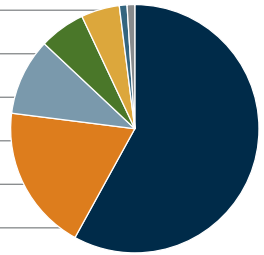


Dispositions: $1.3B[2] (15 Assets)

- Improved the overall quality of the portfolio through non-strategic asset sales
- Liquidated hotels
- Continued to reduce office and commodity retail

PROPERTY TYPE [2]

61%	Office
21%	Retail
8%	Apartment
5%	Hotel
3%	Industrial
1%	Land
1%	Storage



2017 Transactions Supported Long-Term Allocation Strategy

Office
280 bps

Apartments
230 bps

Retail
130 bps

Industrial
170 bps

[1] Based on PRISA's % of gross investment. [2] Based on PRISA's % sales price.

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2017 PRISA Core Apartment Acquisition Highlights

Trophy Apartment Assets that Generate Strong Cash Flow

One Greenway (Boston, MA)

- **Strategy:** Opportunity to gain residential exposure in Boston through the acquisition of a Class A property in a desirable urban location for a long- term hold.
- **Location:** Transit oriented location in Downtown Boston with convenient access to South Station, multiple subway lines, commuter trains and highways.
- **Property:** Newly constructed, 21-story, Class A apartment building with 217 market rate units, ground floor retail, and a 135-space below grade parking garage. Apartments include luxury finishes as well as an expansive amenity package inclusive of a rooftop terrace, resident lounge and gym.

General Description	
Property Type	Apartment
Year Built	2015
Acquisition Date	11/16/2017
Effective Ownership %	100%
Units	217
Leased Status	93%
Acquisition Price[1]	$144.7M ($600k per unit)
Risk Profile	Core
Underwriting Metrics (Unlevered)[2]	
Going-in Cap Rate	4.1%
Avg COC (10 Yr)	4.9%
10-Yr IRR	6.0%

The Quaye (Palm Beach Gardens, FL)

- **Strategy:** Opportunity to increase apartment exposure through the acquisition of a best-in-class property located in a prime, infill suburban location for a long-term hold.
- **Location:** Situated in the heart of Palm Beach Gardens, an affluent and high barrier location with onerous land-use restrictions.
- **Property:** Newly constructed, Class A community with 340 units throughout 30 residential buildings. The apartments include luxury finishes and are complemented by an expansive amenity package.

General Description	
Property Type	Apartment
Year Built	2016
Acquisition Date	7/19/2017
Effective Ownership %	100%
Units	340
Leased Status	97%
Acquisition Price	$118.7M ($349k per unit)
Risk Profile	Core
Underwriting Metrics (Unlevered)[2]	
Going-in Cap Rate	4.4%
Avg COC (10 Yr)	5.2%
10-Yr IRR	6.0%

[1] Price per unit value is based on One Greenway's isolated apartment value. [2] Based on underwriting metrics estimated as of the date of Investment Committee approval. Note: As of December 31, 2017 unless otherwise noted. There is no guarantee that returns for these or similar investments in the future will be achieved. Returns are gross of fund level fees and expenses.

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2017 PRISA Build-to-Core Apartment Highlights

Adding Exposure by Building Trophy Assets

Broadstone Heritage Village I (Santa Ana, CA)

- **Strategy:** Opportunity to construct the first of a three-phase "pedestrian village" project in a joint venture with a reputable national developer. Once complete, the total project will have over 1,200 apartment units, 18k SF of retail, open spaces, an amphitheater, and trails.
- **Location:** Highly accessible location in Orange County, CA adjacent to the Tustin Legacy master planned community and the Irvine Business Complex (the "IBC"). The surrounding area has over 48MM SF of office, retail and entertainment amenities, as well as four universities.
- **Property:** The property will consist of 5 stories, 335 apartment units, and 10k SF of retail. Units will have high-end finishes and amenities will include a rooftop deck, fitness center, and courtyard.

General Description	
Closing Date	10/18/2017
Size	335 units
% Complete[1]	1%
Ownership Interest	94%
Cost at Completion	$134M ($399K per unit)
LTV/LTC	60%
Risk Profile	Non-Core
Underwriting Metrics (Levered / Unlevered)[2]	
Stabilized Development Yield	5.7%
Market Cap Rate	4.3%
10-Year IRR	9.1% / 7.5%

Modera Glisan (Portland, OR)

- **Strategy:** Opportunity to increase residential exposure in Portland through the development of a high rise apartment project in a joint venture with an experienced national developer in an urban location suitable for a long-term hold.
- **Location:** Centrally located in the Pearl District, one of the most desirable neighborhoods in Portland, and walking distance to numerous restaurants, retail, and nightlife. The property is also transit-oriented with access to the light rail, bus, bike path, and the Portland streetcar.
- **Property:** Twelve-story, Class 'A', 295 unit apartment community with approximately 17k SF of retail and a 201-stall subterranean parking garage. Property will contain luxury finishes as well as an amenity package that features a fitness center, outdoor decks, clubroom, barbeque areas, and an elevated pool, which is unique for the market.

General Description	
Closing Date	10/23/2017
Size	295 units
% Complete[1]	2%
Ownership Interest	93%
Cost at Completion	$119M ($402K per unit)
LTV/LTC	60%
Risk Profile	Non-Core
Underwriting Metrics (Levered / Unlevered)[2]	
Stabilized Development Yield	5.8%
Market Cap Rate	4.3%
10-Year IRR	11.8% / 9.3%

[1] Based on hard costs spent to date. [2] Based on underwriting metrics estimated as of the date of Investment Committee approval or most recent budget authorization. Note: As of December 31, 2017 unless otherwise noted. There is no guarantee that returns for these or similar investments in the future will be achieved. Returns are gross of fund level fees and expenses.

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2017 PRISA Office Disposition Highlights

Sold $813M of Office During 2017 Which Lowered Allocation by 280 Bps to 38.1%

1800 M Street (Washington, D.C.)

Completion of PRISA's trade-up strategy for Washington, D.C. office assets. 1800 M was well positioned for a sale given its recent stabilization with long-term leases after an extensive renovation.

General Description	
Property Type	Office
Acquisition Date	06/25/2004
Size	568,173 sf
Leased Status	94%
Cost	$252M ($443 psf)
Gross Sale Price	$427M ($752 psf)
Sale Date	10/11/2017

Hold Period Return – 13 years	
IRR	10.5%
Equity Multiple	2.2x

120 N. LaSalle (Chicago, IL)

Sale of a non-strategic office asset that would have required defensive capital in the near term to compete for tenants. The market has experienced significant new supply resulting in a soft leasing market.

General Description	
Property Type	Office
Acquisition Date	07/01/2003
Size	383,446 sf
Leased Status	89%
Cost	$114M ($297 psf)
Gross Sale Price	$107M ($279 psf)
Sale Date	12/28/2017

Hold Period Return – 14 years	
IRR	5.8%
Equity Multiple	1.6x

701 Gateway (San Francisco, CA)

Disposition of an office asset in a secondary submarket upon leasing to stabilization. The property benefitted from considerable demand for life science lab conversions.

General Description	
Property Type	Office
Acquisition Date	09/17/2014
Size	170,837 sf
Leased Status	97%
Cost	$69M ($401 psf)
Gross Sale Price	$76M ($445 psf)
Sale Date	12/19/2017

Hold Period Return – 3 years	
IRR	8.2%
Equity Multiple	1.2x

Note: As of December 31, 2017. There is no guarantee that returns for these or similar investments in the future will be achieved. Returns are gross of fund level fees and expenses.

2017 PRISA Power Center Disposition Highlights

Reduced Power Center Exposure Within the Retail Portfolio by 570 Bps to 30.0% in 2017

Village at Allen (Allen, TX)

Disposition of a build-to-core suburban power center located on one of the main north-south thoroughfares in a high-demand, but low barrier to entry submarket. Significant number of big box tenants rolling in next three years (24% of total NLA).

General Description	
Property Type	Retail
Acquisition Date	8/31/2010
Size	836,022 sf
Leased Status	94%
Cost	$148M ($177 psf)
Gross Sale Price	$171M ($204 psf)
Sale Date	12/21/2017

Hold Period Return – 7 years	
IRR	9.6%
Equity Multiple	1.4x

Northpoint Market Center (Alpharetta, GA)

Completion of trade-up strategy for Atlanta following the acquisition of mixed-use lifestyle center Avalon, which threatened to draw tenants from the older power center property.

General Description	
Property Type	Retail
Acquisition Date	11/13/1998
Size	420,556 sf
Leased Status	97%
Cost	$72M ($171 psf)
Gross Sale Price	$109M ($258 psf)
Sale Date	03/29/2017

Hold Period Return – 18 years	
IRR	11.3%
Equity Multiple	2.8x

Note: As of December 31, 2017. There is no guarantee that returns for these or similar investments in the future will be achieved. Returns are gross of fund level fees and expenses.

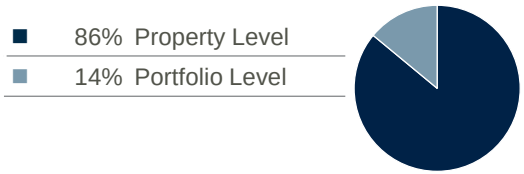
PRISA Debt Strategy & Structure

As of December 31, 2017

Leverage Metrics[1]	% of GMV
Leverage Ratio	19.8%
Recourse Debt Ratio	2.8%
Debt to Income	4.8x
Weighted Average Maturity	5.7 yrs
Cost of Debt[1]	
Weighted Average Fixed-Rate	4.1%
Weighted Average Floating-Rate	2.8%
Total Weighted Average Cost of Debt	3.8%
Credit Facility	
Size	$750M
$ Drawn	$0M

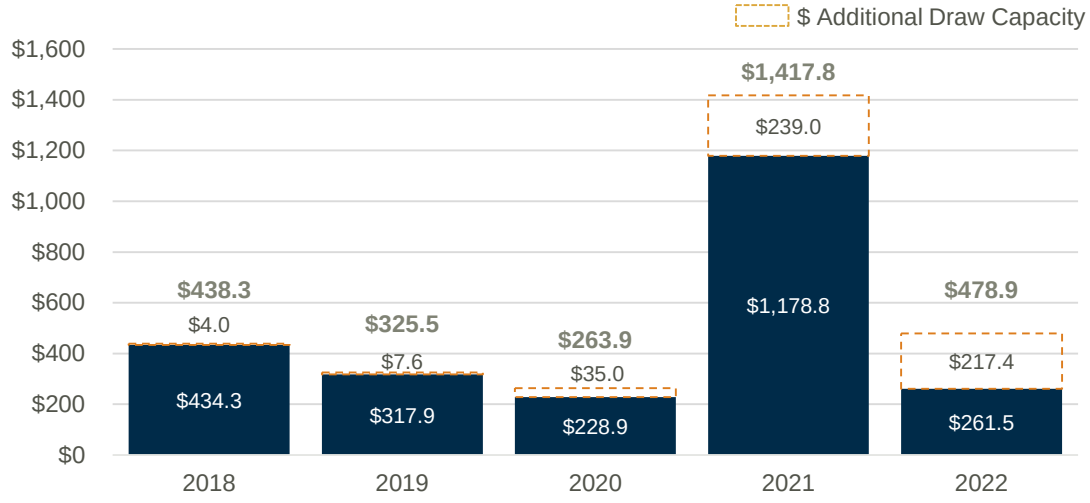
FIXED VS. FLOATING RATE DEBT[1]

PROPERTY VS. PORTFOLIO LEVEL DEBT[1]



- Currently targeting LTV in the low 20% range
- Reserve debt capacity for long-term assets and JVs; maintain significant pool of unencumbered assets
- Fixed-rate bias with diversified maturities
- Modest portfolio level debt for flexibility and attractive terms

$ OF DEBT MATURING ($ MILLIONS)[2]



	2018	2019	2020	2021	2022
# of Loans[3]	15	9	8	14	10
% Total Debt[3]	7.4%	5.5%	4.5%	24.0%	8.1%

[1] Represents portfolio level debt, 100% wholly owned and PRISA's share of all joint venture debt. Debt to income based on PRISA's share of debt. Weighted average maturity calculation based on 100% principal and terminal maturity. [2] Represents portfolio level debt, 100% of wholly owned and consolidated joint venture debt and PRISA's share of debt on equity joint ventures at terminal maturity. Orange dashed boxes represent additional draw capacity on existing construction and predevelopment loans. Excludes PRISA's unused capacity on the Credit Line. [3] Based on total capacity.

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PRISA – Preliminary 2018 Outlook & Objectives

Performance	▪ Deliver gross returns of 6.0% - 8.0%,[1] including income return of 4.5% - 5.0%
Income Growth	▪ Anticipated strong market fundamentals coupled with built-in rent gains within the portfolio expected to result in income growth for the year of approximately 4.0% ▪ Income growth will continue to be the driver of appreciation ▪ PRISA asset management team is focused on capital preservation and income growth (e.g. extending lease terms and seeking credit tenants)
Transactions Target	▪ Maintain a disciplined approach to investing and continue to sell “non-strategic” assets, particularly in the office sector ▪ Continue investing in build-to-core pipeline ▪ Seek attractive new multifamily and industrial acquisitions to increase sector exposure ▪ Acquisitions and dispositions volume both expected to be consistent with long-term averages **2018 Acquisitions Target: $1.5B - $2.0B** **2018 Dispositions Target: $0.5B - $1.0B**
Risk Metrics	▪ Risk metrics are healthy and in line with long-term targets ▪ Focus on lower-risk opportunities within non-core

[1] Total net target returns of 5.0% - 7.0%. Target returns are not guaranteed. Past performance is not a guarantee or a reliable indicator of future results.

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Appendix

PGIM Real Estate

PGIM

Appendix:
Property Type Overviews

PGIM Real Estate

PGIM

PRISA Portfolio – Office

As of December 31, 2017

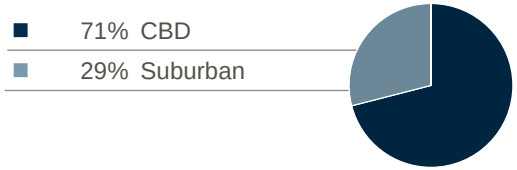
Existing Portfolio	
Gross Assets[1]	$9,121M
Total SF	17.9M
PRISA Weighting[2]	38.1%
NFI-ODCE Weighting[3]	37.5%
Projected Movement[4]	↓

Investment Strategy 2018-2020

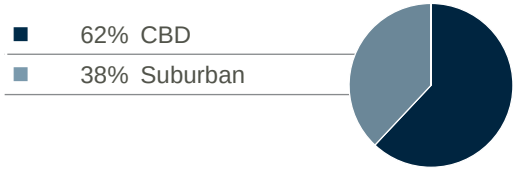
- Return to long-term underweight strategy through the sale of tactical and commodity-like assets
- Within the office portfolio, overweight CBD assets in high-barrier strategic markets, which have historically resulted in outperformance
- PRISA's office properties are leased to a high percentage of credit quality tenants

500 8th Street (Washington DC)

PRISA[2]



NFI-ODCE[5]



Major Market Exposure

Market (CSA)	Property Count	PRISA's Share of GMV ($M)	% of Total	NFI-ODCE[5]
New York	6	$2,627	29%	24%
San Francisco	11	$1,737	19%	14%
Boston	1	$1,465	16%	14%
Chicago	4	$724	8%	6%
Miami	6	$567	6%	1%
Subtotal	28	$7,120	78%	59%
Other Markets	16	$2,001	22%	41%
Total	44	$9,121	100%	100%

[1] NAV As of December 31, 2017 is $7,065M. [2] Based upon PRISA share of GMV in properties and debt investments. [3] Diversification as of 4Q17 is based on NFI-ODCE gross market value in the NCREIF Performance Attribution Report. Data is preliminary and subject to change [4] Projected movement over the 2018-2020 time period. There is no guarantee that these targets will be achieved. [5] NFI-ODCE does not publish detailed property information. Market information is based on CSA definitions and calculated by extracting NFI-ODCE property data from the NCREIF Research Database. Data as of December 31, 2017.

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PRISA Portfolio – Apartments

As of December 31, 2017

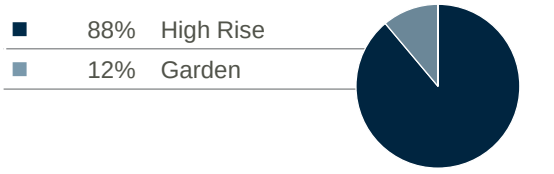
Existing Portfolio	
Gross Assets[1]	$5,365M
Total Units	13,259
PRISA Weighting[2]	22.5%
NFI-ODCE Weighting[3]	25.1%
Projected Movement[4]	↑

Investment Strategy 2018-2020

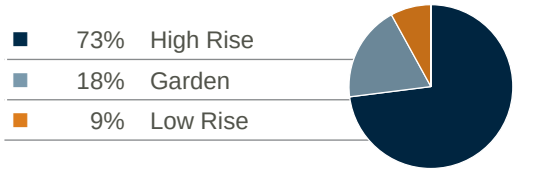
- Focused on investing in Class A apartments in highly-amenitized, urban and infill suburban locations
- Explore select, well-located "B" rehab opportunities in markets where supply has been depressed
- Selective build-to-core investments to achieve a return premium relative to existing core assets (currently sold/appraised at 33% over cost)
- Continue to reinvest in existing, well-located assets where modest renovations result in outsized rent increases
- Sell weaker suburban, capital intensive assets in favor of trade-up opportunities

One Plantation (Plantation, FL)

PRISA[2]



NFI-ODCE[5]



Major Market Exposure				
Market (CSA)	Property Count	PRISA's Share of GMV ($M)	% of Total	NFI-ODCE[5]
New York	8	$896	17%	14%
Los Angeles	18	$838	16%	11%
Washington, DC	8	$676	13%	10%
San Francisco	1	$661	12%	8%
Chicago	3	$432	8%	10%
Subtotal	38	$3,503	66%	53%
Other Markets	24	$1,862	34%	47%
Total	62	$5,365	100%	100%

[1] NAV As of December 31, 2017 is $4,057M. [2] Based upon PRISA share of GMV in properties and debt investments. [3] Diversification as of 4Q17 is based on NFI-ODCE gross market value in the NCREIF Performance Attribution Report. Data is preliminary and subject to change [4] Projected movement over the 2018-2020 time period. There is no guarantee that these targets will be achieved. [5] NFI-ODCE does not publish detailed property information. Market information is based on CSA definitions and calculated by extracting NFI-ODCE property data from the NCREIF Research Database. Data as of December 31, 2017.

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PRISA Portfolio – Retail

As of December 31, 2017

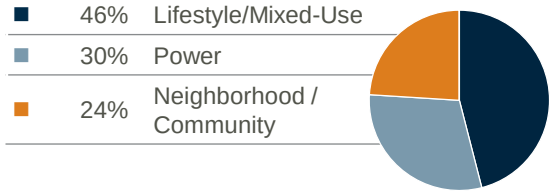
Existing Portfolio	
Gross Assets[1]	$3,866M
Total SF	12.5M
PRISA Weighting[2]	16.2%
NFI-ODCE Weighting[3]	19.0%
Projected Movement[4]	↓

Investment Strategy 2018-2020

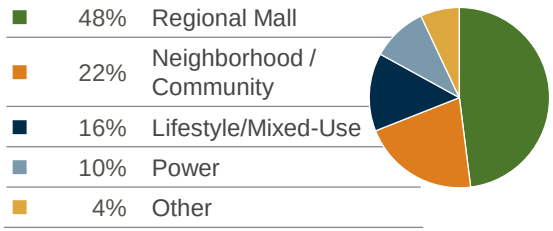
- Dispose of non-strategic assets that are more susceptible to e-commerce, shifts in tenant demand and "right-sizing"
- Reduce exposure to power centers
- Strategically invest capital to create amenities that drive traffic and add complementary mixed-use components
- Monitor watchlist tenants for revenue loss exposure and tenant upgrade opportunities
- Selectively explore acquisition opportunities with necessity-based and experiential, destination-type centers

Bella Terra (Huntington Beach, CA)

PRISA[2]



NFI-ODCE[5]



Major Market Exposure

Market (CSA)	Property Count	PRISA's Share of GMV ($M)	% of Total	NFI-ODCE[5]
Los Angeles	9	$738	19%	12%
Atlanta	5	$571	15%	3%
Washington, DC	4	$473	12%	5%
Chicago	3	$273	7%	8%
New York	3	$238	6%	9%
Subtotal	24	$2,293	59%	37%
Other Markets	37	$1,573	41%	63%
Total	61	$3,866	100%	100%

[1] NAV As of December 31, 2017 is $3,459M. [2] Based upon PRISA share of GMV in properties and debt investments. Excludes "Other." [3] Diversification as of 4Q17 is based on NFI-ODCE gross market value in the NCREIF Performance Attribution Report. Data is preliminary and subject to change [4] Projected movement over the 2018-2020 time period. There is no guarantee that these targets will be achieved. [5] NFI-ODCE does not publish detailed property information. Market information is based on CSA definitions and calculated by extracting NFI-ODCE property data from the NCREIF Research Database. Data as of December 31, 2017.

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PRISA Portfolio – Industrial

As of December 31, 2017

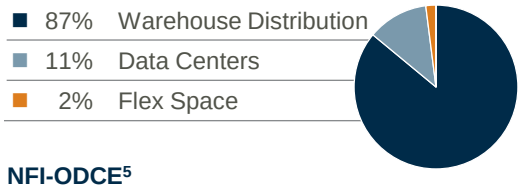
Existing Portfolio	
Gross Assets[1]	$3,410M
Total SF	27.2M
PRISA Weighting[2]	14.3%
NFI-ODCE Weighting[3]	14.6%
Projected Movement[4]	↑

Investment Strategy 2018-2020

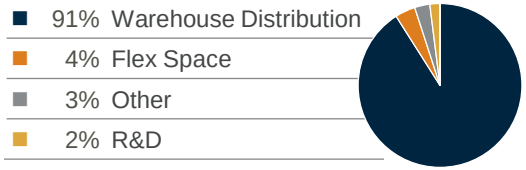
- Acquire and develop assets close to transportation infrastructure and major metropolitan areas, including “last mile” locations
- Focus on locations with supply constraints to protect against obsolescence and new supply
- Sell assets with low barriers to entry and land holdings that will not be developed

Brick Yard (Laurel, MD)

PRISA[2]



NFI-ODCE[5]



Major Market Exposure

Market (CSA)	Property Count	PRISA’s Share of GMV ($M)	% of Total	NFI-ODCE[5]
Los Angeles	14	$1,157	34%	25%
Washington, DC	22	$718	21%	6%
Seattle	8	$299	9%	6%
Dallas	4	$205	6%	9%
Miami	6	$198	6%	6%
Subtotal	54	$2,577	76%	52%
Other Markets	24	$833	24%	48%
Total	78	$3,410	100%	100%

[1] NAV As of December 31, 2017 is $3,110M. [2] Based upon PRISA share of GMV in properties and debt investments. [3] Diversification as of 4Q17 is based on NFI-ODCE gross market value in the NCREIF Performance Attribution Report. Data is preliminary and subject to change [4] Projected movement over the 2018-2020 time period. There is no guarantee that these targets will be achieved. [5] NFI-ODCE does not publish detailed property information. Market information is based on CSA definitions and calculated by extracting NFI-ODCE property data from the NCREIF Research Database. Data as of December 31, 2017.

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PRISA Portfolio – Storage

As of December 31, 2017

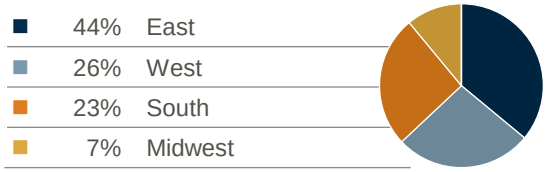
Existing Portfolio	
Gross Assets[1]	$1,565M
Total SF	7.8M
PRISA Weighting[2]	6.6%
NFI-ODCE Weighting[3]	2.3%
Projected Movement[4]	↔

Investment Strategy 2018-2020

- Maintain long-term overweight to the sector in order to benefit from the stable and accretive cash flow returns
- Target new investment opportunities with best-in-class operators
- Selectively dispose of non-strategic and underperforming assets in order to maintain portfolio quality

Extra Space Storage (Collierville, TN)

PRISA[2]



Major Market Exposure			
Market (CSA)	Property Count	PRISA's Share of GMV ($M)	% of Total
New York	17	$424	27%
Miami	14	213	14%
Los Angeles	10	146	9%
Washington DC	7	144	9%
San Francisco	3	66	4%
Subtotal	51	$993	63%
Other Markets	49	$572	37%
Total	100	$1,565	100%

[1] NAV As of December 31, 2017 is $1,568M. [2] Based upon PRISA share of GMV in properties and debt investments. [3] Diversification as of 4Q17 is based on NFI-ODCE gross market value in the NCREIF Performance Attribution Report. Data is preliminary and subject to change [4] Projected movement over the 2018-2020 time period. There is no guarantee that these targets will be achieved.

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Appendix:
Risk Positioning

PGIM Real Estate

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Risk Positioning

Risk Metrics

	1Q08	1Q10	4Q17
NAV	$12.4B	$6.7B	$19.7B
Non-Core Activity			
Current Exposure[1]	9.8%	16.6%	7.4%
Committed Exposure[2]	20.0%	18.1%	9.5%
Pipeline (Unfunded Commitments)	$2.6B (21.0% NAV)	$1.1B (16.4% NAV)	$0.8B (3.8% NAV)
Debt Profile			
LTV	24.7%	41.0%	19.8%
Average LTV on Encumbered Assets	36.2%	46.0%	42.6%
Debt to Income Multiple	8.4x	7.5x	4.8x
Debt Composition: Fixed / Floating & Capped Floating	68% / 32%	62% / 38%	75% / 25%
Weighted Average Cost of Debt	5.2%	4.4%	3.8%
Weighted Average Maturity	4.2 Yrs	3.6 Yrs	5.7 Yrs

PRISA's Investment Guidelines are designed to mitigate risk and should position the Fund to withstand a downturn at any point in time

Highlights:

- Clear definition of "core"
- Best practices in terms of measurement and reporting of risk metrics
- Non-core target of 10%
- No speculative office or retail development
- 5% single asset exposure limit
- Modest leverage and low level of outstanding debt as a multiple of income
- Avoidance of excessive vintage year risk

[1] Based on PRISA's share of gross market value in properties and debt investments. [2] Current exposure plus unfunded commitments and assumes no stabilization of non-core assets; basis on which guideline is measured.

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Risk Positioning - Scenarios

Projected Sources & Uses Plan 2018 - 2020 (Value Decline Scenarios Below)

Sources	2018
BOP Cash Balance	706
Cash Flow (net of fees, capex, interest, other)	494
Gross Sales - PRISA's share	849
Client Contributions	1,000
New Loans/Refinancing	770
Total Sources	3,818
Uses	**2018**
Client Withdrawals	(1,000)
Cash Flow Distribution to Investors	(345)
Debt Maturities / Payoff	(265)
Equity Fundings (Acquisitions & Existing Properties)	(1,658)
Total Uses	(3,268)
Credit Line (Payoff) & Borrowings	-
Bond Financing	-
EOP Cash Balance	550

- The value of PRISA's assets declined by 35.8% during the global financial crisis
- Values would have to drop by over 59% for PRISA to breach its 50% LTV covenant on its portfolio financing

Valuation Decline Scenarios	Appreciation Returns	LTV	Debt to Income	Recourse Debt Ratio
2018 Base Case	2.5%	20.8%	5.0x	2.7%
2018 10% GMV Decline	-11.9%	22.6%	5.0x	3.0%
2018 20% GMV Decline	-23.9%	26.0%	5.0x	3.4%
2018 30% GMV Decline	-35.9%	29.4%	5.0x	3.8%

Investors should be aware the above scenario is being used for illustrative purposes only. These projections are not guaranteed and any expected returns may not reflect actual future performance. This projected performance is intended to show only an expected range of possible investment outcomes based on assumptions made by the portfolio management regarding a variety of factors, including but not limited to, acquisitions, dispositions, leasing, financing, appreciation and investor interest in PRISA. Cashflow projections are not guaranteed.

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Risk Positioning

Sources & Uses Plan 2018 with Income and Combined Decline Scenarios

Sources & Uses Plan	2018 Base Case	2018 w/ Decline scenarios
End of Period Cash Balance	550	486
Potential Liquidity Changes		
Sources		
Remaining Availability on Credit Facility	750	750
No Sales (Net of debt)	(849)	(849)
No Contributions	(1,000)	(1,000)
Total Sources	(549)	(613)
Uses		
Suspend Cash Flow Distributions	345	262
Suspend Withdrawals	1,000	1,000
Eliminate Non-committed Acquisitions (Net of debt)	582	582
Total Uses	1,958	1,844
Net Liquidity Based on Potential Liquidity Changes	1,378	1,231

Income & Combined Decline Scenarios	Income Returns	Appreciation Returns	LTV	DSCR	Debt to Income
2018 Base Case	4.5%	2.5%	20.8%	5.6x	5.0x
2018 with 15% NOI Decline	3.9%	2.4%	20.9%	4.8x	5.8x
2018 with 15% NOI & 10% GMV Decline	4.1%	-12.0%	23.5%	4.8x	5.8x

- Because of the long-term nature of commercial leases and the quality of the Fund's tenancy, PRISA's income return should remain relatively stable, even in a downturn
- Even during the global financial crisis, PRISA's same property income declined only moderately

Income Growth	
2008	0.5%
2009	-3.2%
2010	-0.6%
2011	2.3%

- Income would have to drop by over 55% for PRISA to breach its 2.5x DSCR covenant on its portfolio financing
- Under a combined decline scenario, the Fund maintains adequate liquidity and remains well in compliance with its recourse loan covenants
- Capital expenditures would likely be lower than presented if planned leasing did not occur, resulting in a conservative analysis

Investors should be aware the above scenario is being used for illustrative purposes only. These projections are not guaranteed and any expected returns may not reflect actual future performance. This projected performance is intended to show only an expected range of possible investment outcomes based on assumptions made by the portfolio management regarding a variety of factors, including but not limited to, acquisitions, dispositions, leasing, financing, appreciation and investor interest in PRISA. Cashflow projections are not guaranteed.

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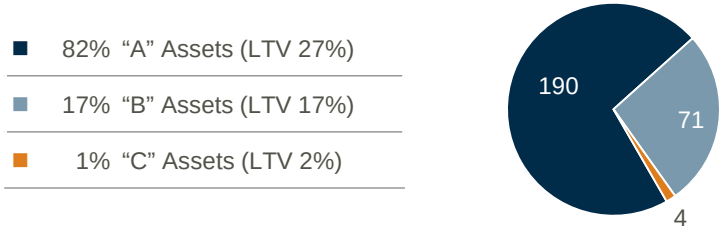
Risk Positioning

Asset Classifications

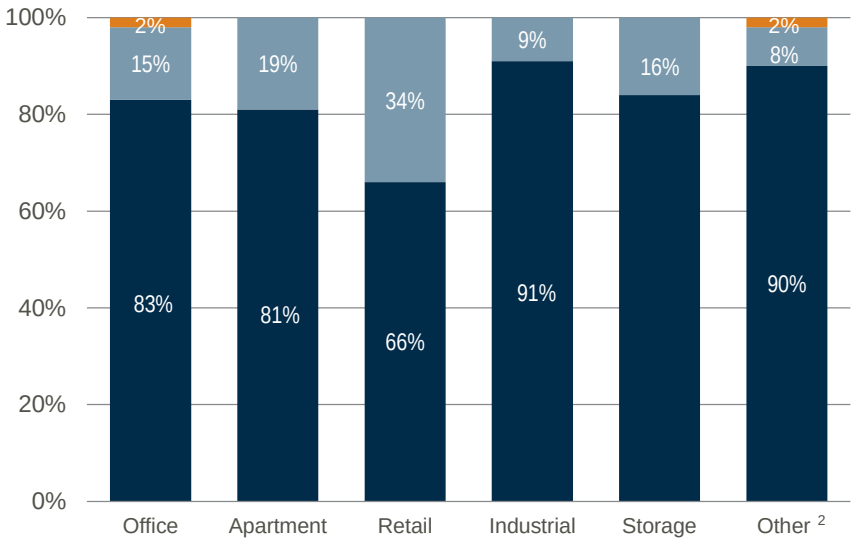
Asset Classifications

- **Strategic Long-Term Holds "A"** – Strategic assets PRISA wants to own through any cycle
  - Enduring attributes and submarkets
  - Difficult to replicate
- **Tactical Investments "B"** – Reached maximum value and are ready for disposition or require an event to reach maximum value
  - Non-strategic assets or submarkets
  - Does not have enduring attributes
  - If held past date of maximum value then risk value degradation
- **Disposition Priorities "C"** – Assets that are expected to underperform the portfolio or market
  - Might have negative cash flow

PORTFOLIO RANKINGS SUMMARY (AS OF DECEMBER 31, 2017)[1]



ABC BY PROPERTY TYPE[1]



[1] Based on PRISA's share of gross market value in properties and debt investments. Pie chart represents number of assets. Excludes Village at Allen TIF and the Village at Riverwatch TAD. [2] Other includes Harbor Garage and land.

Appendix:
PRISA Composite Supplemental Information as of December 31, 2017

PGIM Real Estate

PGIM

PRISA Composite Top 10 Assets By GMV[1]

As of December 31, 2017

Property Name	Property Type	Location	Size SF / Units	PRISA's Share GMV ($M)	100% GMV Per SF / Unit	% of Fund's GMV
International Place[2]	Office	Boston, MA	1,840,719	$1,464.6	$887	6.1%
11 Madison	Office	New York, NY	2,359,884	$1,066.0	$1,129	4.5%
Eleven Times Square	Office	New York, NY	1,108,869	$790.4	$1,317	3.3%
The Fillmore Center[3]	Residential	San Francisco, CA	1,114	$661.0	$593,357	2.8%
Post Montgomery Tower[3]	Office	San Francisco, CA	680,253	$650.0	$956	2.7%
Wareham Portfolio	Office	Emeryville, CA	1,186,893	$535.8	$625	2.2%
Avalon[4]	Mixed-Use	Alpharetta, GA	582,101 SF / 526 Units	$512.4	$599 PSF / $310,900/Unit	2.2%
100 Park Avenue[3]	Office	New York, NY	893,900	$413.3	$923	1.7%
55 East Monroe	Office	Chicago, IL	1,247,041	$380.0	$305	1.6%
500 8th Street	Office	Washington, DC	325,361	$332.0	$1,020	1.4%
Total				$6,805.5		28.5%

[1] Based on PRISA's share of gross market value in properties and debt investments. [2] Exceeds single asset exposure limit of 5%. [3] PRISA SA holds an interest in these assets outside of its investment alongside PRISA LP in PRISA REIT; the interest PRISA SA owns outside of PRISA REIT is 51.4% of Post Montgomery Tower, 50.1% of The Fillmore Center and 0.4% of 100 Park Avenue. Note: Please see page 16 for important information regarding PRISA Composite. [4] PSF and $/unit values are based on the allocated GMV of each component.

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International Place, Boston, MA

Trophy Office Towers in Boston's Financial District

General Description	
Property Type	Office
Year Built/Renovated	1989
Acquisition Date	1/10/2005
Effective Ownership %	90%
Size	1,840,719 psf
Leased Status	95%
Cost	$899M ($488 psf)
Market Value	$1,633M ($887 psf)
Risk Profile	Core
Property Certification	LEED Silver Energy Star Certified

Appraisal Metrics	
Direct Cap Rate	3.6%
Discount Rate	5.5%
Exit Cap Rate	4.9%
Exit Value (10-Yr)	$1,075 psf

Top Tenants[1]	SF
Eaton Vance	316,898
Choate Hall & Stewart	136,631
Proskauer Rose	96,957
Greenberg Traurig	64,107
Paypal	62,814

Overview

- Trophy office property located in Boston's Financial District. The property features 1.8M sf of office space across two interconnected buildings on top of an underground parking facility. The property also includes a dynamic mix of ground-floor retail amenities, such as The Palm Restaurant, Starbucks, Au Bon Pain, Kane's Donuts, Republic Fitness and Santander Bank.
- The asset is 95% leased as of 4Q17 after completing a total of 118K sf in 2015, 271K sf in 2016 and 202K sf in 2017
- Eaton Vance, Choate Hall & Stewart and Proskauer Rose, the property's three largest tenants, have lease expirations in 2024, 2030 and 2021, respectively, providing stable cash flows over the long-term.

[1] Based on square footage. Note: As of December 31, 2017 unless otherwise noted.

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11 Madison, New York, NY

Iconic Office Asset in One of the Most Desirable U.S. Markets

General Description	
Property Type	Office
Year Built/Renovated	1929/2016
Acquisition Date	8/10/2016
Effective Ownership %	40%
Size	2,359,884 sf
Leased Status	100%
Cost	$2,584 M ($1,095 psf)
Market Value	$2,665 M ($1,129 psf)
Risk Profile	Core
Property Certification	LEED Silver Energy Star Certified

Appraisal Metrics	
Direct Cap Rate	4.0%
Discount Rate	5.5%
Exit Cap Rate	5.0%
Exit Value (10-Yr Hold)	$1,764 psf

Top Tenants[1]	SF
Credit Suisse Securities (USA)	1,265,841
Sony Corporation of America	578,791
Yelp	191,797
WME IMG	103,426
Millward Brown	99,107

Overview

- **Strategy:** Unique opportunity to upgrade the quality of PRISA's office portfolio and durability of its high quality income stream.
- **Partner:** SL Green Realty Corp., the largest office landlord in New York City, and partner on two other PRISA assets.
- **Location:** Full block between Madison/Park Aves and 24/25th Streets directly east of Madison Square Park in the Midtown South submarket.
- **Property:** High quality finishes including vaulted entrances on each of its four corners and rare large floor plates from 40K sf to 100K sf.
- **Risk Profile:** Core investment with high occupancy from credit tenants, minimal turnover, and an average remaining lease term of 15.5 years.

[1] Based on square footage.

Note: As of December 31, 2017 unless otherwise noted. There is no guarantee that returns for these or similar investments in the future will be achieved. Returns are gross of fund level fees and expenses.

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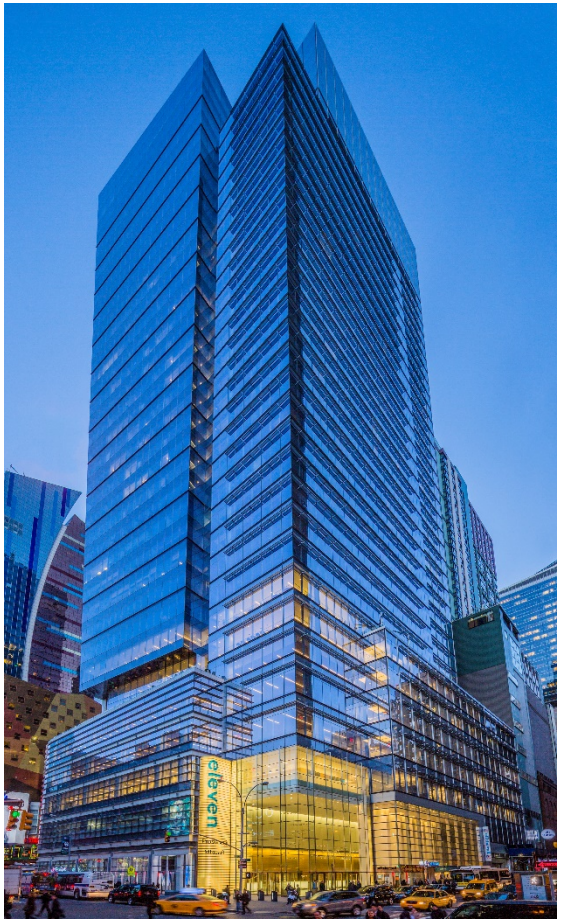
Eleven Times Square, New York, NY

Build-to-Core Trophy Asset in a Strategic Market



General Description	
Property Type	Office / Retail
Year Built/Renovated	2010
Acquisition Date	06/05/2006
Effective Ownership %	54%
Size	1,108,869 sf
Leased Status	Office: 92% Retail: 100%
Cost	$1,053M ($949 psf)
Market Value	$1,461M ($1,317 psf)
Risk Profile	Core
Property Certification	LEED Gold
Appraisal Metrics	
Direct Cap Rate	4.5%
Discount Rate	6.0%
Exit Cap Rate	4.7%
Exit Value (10-Yr Hold)	$1,939 psf
Top Tenants[1]	**SF**
Proskauer Rose	406,399
eMarketer	53,573
Festival Fun Parks	45,909
Microsoft[2]	
Global Hedge Fund[2]	

Overview

- Eleven Times Square is a Class A office building located on the east side of 8th Avenue between 41st and 42nd Streets in New York City. The building includes 40 floors and is comprised of 1,060,567 sf of office space and 48,302 sf of retail space. There are setback rooftop terraces on six of the office floors.
- The overall Class A vacancy rate in Midtown Manhattan stands at 8.0% as of 4Q 2017, down 110 bps from 4Q16. Midtown Class A office asking rents average $79.85 psf, down $0.24 (or .02%) from 4Q 2017.
- In August 2015, ownership closed on a refinance with New York Life Insurance Company, Northwestern Mutual Life Insurance Company and New York State Teachers' Retirement System. The $507.0M loan is interest-only for a 10-year term at a fixed rate of 3.85%.
- Norges Bank purchased a 45% non controlling interest in February 2015 for $630M. The price was 32% in excess of PRISA's cost basis.

[1] Based on square footage. [2] Due to a confidentiality agreement we are unable to provide additional information. Note: As of December 31, 2017 unless otherwise noted.

The Fillmore Center, San Francisco, CA

High-Rise Luxury Apartment Community in a Strategic Market

General Description	
Property Type	Apartment
Year Built/Renovated	1991/2015
Acquisition Date	12/22/2004
Effective Ownership %	100%
Size	1,114 units
Leased Status	94%
Cost	$279M ($251K per unit)
Market Value	$661M ($593K per unit
Risk Profile	Core
Property Certification	N/A
Appraisal Metrics	
Direct Cap Rate	4.3%
Discount Rate	6.5%
Exit Cap Rate	5.0%
Exit Value (10-Yr)	$748K per unit
Unit Type	**# of Units**
Studio	310
1-Bedroom	430
2-Bedroom	342
3-Bedroom	32
Total	1,114

Overview

- The Fillmore Center is a 1,114-unit luxury apartment community with 101,805 sf of retail located in the Fillmore District of San Francisco. Amenities include interior courtyards with a waterfall, outdoor barbeque grills, pet parks, onsite parking and a free shuttle service to and from the CBD. Select unit amenities include patios, fireplaces, and full size appliances. The Fitness Center (31,025 sf) is leased to a local operator.
- The property is located amidst a variety of retail and commercial properties, including boutiques, restaurants, and live-entertainment venues.
- The property is currently undergoing a unit renovation program achieving average rent increases of $450/unit/month or a 20% ROC. 120 units have been budgeted for renovation in 2018. Additionally, the property is slated for Common Area and Lobby upgrades in 2018.

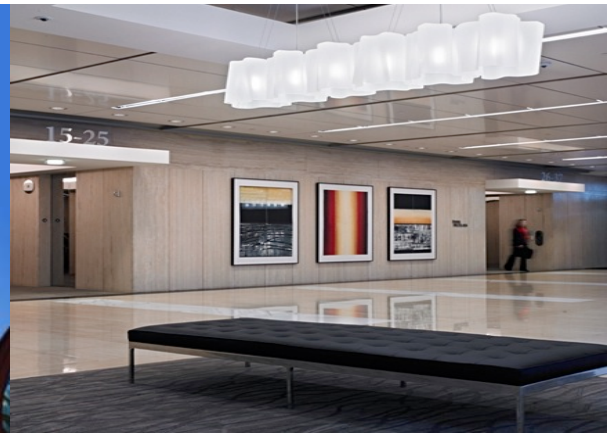
Note: As of December 31, 2017 unless otherwise noted.

Confidential information. Not for further distribution.

Post Montgomery, San Francisco, CA

Trophy Office Tower in The Heart of San Francisco

General Description	
Property Type	Office
Year Built/Renovated	1982
Acquisition Date	12/18/1984
Effective Ownership %	100%
Size	680,253 sf
Leased Status	90%
Cost	$403M ($592 psf)
Market Value	$650M ($956 psf)
Risk Profile	Core
Property Certification	LEED Platinum
Appraisal Metrics	
Direct Cap Rate	4.5%
Discount Rate	6.3%
Exit Cap Rate	5.3%
Exit Value (10-Yr)	$1,186 psf
Top Tenants[1]	**SF**
Stitch Fix	95,250
Stifel Financial	89,380
OpenTable	60,150
Coblentz Patch Duffy & Bass LLP	47,313
Chekrr, Inc.	40,345



Overview

- Post Montgomery is a Class A trophy office tower in the heart of San Francisco's Financial District. The building is LEED Platinum Certified.
- The property is in close proximity to public transportation, the Market Street Corridor and abundant retail amenities. The asset benefits from technology based expansion in the Bay area, as evidenced by recent leasing activity.
- The property boasts panoramic high-rise views of the city, underground parking, and extensive on-site amenities.
- Ownership has successfully mitigated near term rollover. Only 4.1% or 28K SF of the building rolls through 2019.
- Ownership is being mindful of maintaining a diversified and quality tenant roster to insure long-term cash flow.

[1] Based on square footage. Note: As of December 31, 2017 unless otherwise noted.

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The Wareham EmeryStation Campus, Emeryville, CA

Office / Life-Science Portfolio in the Bay Area

General Description	
Property Type	Office/Life-Science
Year Built/Renovated	1985-2013
Acquisition Date	2004-2016
Effective Ownership %[1]	72%
Size	1,186,893 sf
Leased Status	98%
Cost	$440M ($371 psf)
Market Value	$742M ($624 psf)
Risk Profile	Core
Property Certification	LEED Silver (EmeryStation I, II & East)

Appraisal Metrics	
Direct Cap Rate	5.4%
Discount Rate	7.1%
Exit Cap Rate	6.2%
Exit Value (10-Yr)	$842 psf

Top Tenants[2]	SF
Amyris, Inc.	135,949
Stanford Health Care	110,520
Zymergen, Inc.	83,583
Regents of the Univ of Cal.	80,312
Bayer Healthcare	46,694

Name	Occupancy	SF	Gross Market Value $M
EmeryStation East	100%	247,619	$231
EmeryStation I	96%	275,674	$175
EmeryStation II	100%	168,620	$101
EmeryStation West	N/A	261,602	$95
EmeryStation Greenway	100%	99,694	$75
Heritage Square	95%	94,481	$45
EmeryStation Triangle	100%	39,207	$19

Overview

- The Wareham Portfolio is a 1.2M sf Class A office and life-science campus consisting of 7 assets located in Emeryville, CA. PRISA acquired a joint venture interest in 3 properties in 2004. Since then PRISA has participated in the development of 3 assets comprising 386K sf.
- In addition to the six stabilized assets, EmeryStation West, a 261,602 sf life science/retail development, is currently under construction. The approved budget for the project is $180M, funded 92.5%/7.5% by PRISA and Wareham respectively and is currently 77% complete.
- Wareham is the original developer of life-science and laboratory space in northern California. Wareham developed the portfolio and also serves as the property manager and leasing agent for the buildings.
- The stabilized portfolio is 98% leased as of 4Q17 with only 55K sf scheduled to roll through 2019.

[1]Weighted average ownership across portfolio based on individual asset GMV. [2]Based on square footage. Note: As of December 31, 2017 unless otherwise noted.

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The Avalon, Alpharetta, Georgia

Trophy Mixed-Use Center

Investment Summary[1]	
Property Type	Retail/ Office/ Apartment
Year Built/Renovated	2014-2017
Acquisition Date	07/22/16 & 10/02/17
Effective Ownership %	100%
Size	Retail: 476,737 sf Office: 105,364 sf Apartments: 526 units
Leased Status	Retail: 98% Office: 100% Apartments:[1] 94%/47%
Cost[2]	$489M ($575 psf/ $294K per unit)
Market Value[2]	$512M ($599 psf/ $311K per unit)
Risk Profile	Core
Phase I Appraisal Metrics (Blended)[3]	
Direct Cap	4.8%
Exit Cap	5.4%
Discount Rate	6.2%
Exit Value[2]	$433M ($681 psf/ $390K per unit)
Top Tenants[4]	**SF**
Food & Beverage Tenants	67,113
Regal Cinemas	53,434
Whole Foods	45,815

Overview

- **Strategy:** Opportunity to acquire a dominant “experiential” mixed-use property for a long-term hold.
- **Property:** Trophy quality, open-air, mixed-use lifestyle center with high quality retail, apartments and loft office space, anchored by Regal Cinemas, Whole Foods and Apple.
- **Location:** Vibrant shopping, dining and entertainment destination that serves the affluent northern Atlanta suburbs situated within an 86 acre master development, which will ultimately include 2M sf of retail, office, apartments, hotel, conference center and single family homes. The center acts as the Alpharetta “downtown” and hosts numerous events for the community, which generates significant traffic to the center.
- **Risk Profile**: Core retail investment that is 98% leased, largely to credit tenants. The in-place retail rents are below market, which will potentially allow the Fund to capture additional upside as tenant leases expire. On the residential side, the stabilized Haven apartment community is 94% leased, while the recently completed Veranda project is now 47% leased. These multifamily units are some of the highest quality in the area, which appeal to renters by choice with an average age of 51 and average household income of $242,000.

[1] Haven is currently 94% occupied and Veranda is currently 47% occupied. [2] PSF and $/unit values based on the allocation for each component. [3] For Phase I only. Phase II will be appraised for the first time in 1Q18. [4] Based on square footage. Note: As of December 31, 2017 unless otherwise noted. There is no guarantee that returns for these or similar investments in the future will be achieved. Returns are gross of fund level fees and expenses.

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100 Park Avenue, New York, NY

Trophy Office Property in Prime NYC Location

General Description	
Property Type	Office
Year Built/Renovated	1949 / 2005-2008
Acquisition Date	8/1/1974
Effective Ownership %	50.00%
Size	839,900 sf
Leased Status	95%
Cost	$416M ($466 psf)
Market Value	$825M ($923 psf)
Risk Profile	Core
Property Certification	LEED Gold Energy Star Certified

Appraisal Metrics	
Direct Cap Rate	4.3%
Discount Rate	5.8%
Exit Cap Rate	4.5%
Exit Value (10-Yr)	$1,165 psf

Top Tenants[1]	SF
BDO International	121,441
AECOM Technology	108,631
J&W Seligman & Co.	103,615
Wells Fargo	103,118
Aetna Life Insurance	54,037

Overview

- 100 Park Avenue is a trophy office property located within two blocks of Grand Central Station in Manhattan. PRISA acquired the building in 1974. A 49.9% interest was sold to SL Green in February 2000.
- From 2005-2008, a renovation was completed that included a new glass curtain wall on Park Avenue and steel paneling on the remaining exterior, a lobby and elevator cab renovation and the replacement/upgrading of the base building systems and HVAC.
- In 2009, the building received the NYC Regional BOMA award for best renovated building.
- In February 2014, the loan was refinanced and upsized to $360M for seven years at a rate of Libor + 175 bps.

[1] Based on square footage. Note: As of December 31, 2017 unless otherwise noted.

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55 East Monroe, Chicago, IL

Class A Stabilized CBD Office Located in a Strategic Market

General Description	
Property Type	Office
Year Built/Renovated	1972/2006-2014
Acquisition Date	1/21/2015
Effective Ownership %	100%
Size	1,247,041 sf
Leased Status	88%
Cost	$382M ($306 psf)
Market Value	$380M ($305 psf)
Risk Profile	Core
Property Certification	LEED Energy Star Certified

Appraisal Metrics	
Direct Cap Rate	5.8%
Discount Rate	7.0%
Exit Cap Rate	5.8%
Exit Value (10-Yr)	$416 psf

Top Tenants[1]	SF
Sargent & Lundy	440,520
National Opinion Research	136,699
Goldberg, Kohn, Bell & Black	91,572
Thompson Coburn	58,394

Overview

- 55 East Monroe is a 1.2M sf Class A office tower spanning a full city block in the East Loop with views of Lake Michigan, Grant Park, Millennium Park, and the city skyline. The property includes 70K sf of retail and a 703 stall parking garage.
- The three largest tenants combine to occupy 54% of total sf and have been at the property for over 32 years on average. The largest tenant, Sargent & Lundy, occupies 35% of the property.
- The building's parking garage accounts for approximately 20% of the NOI and benefits from a moratorium on the construction of new garages in the Loop.
- Since 2006, previous ownership invested over $34M into the property. Significant capital improvements included a full parking garage redevelopment, tenant corridor and restroom renovations, elevator modernization, HVAC/mechanical upgrades, lobby improvements, and the addition of a conference center and bike room.

[1] Based on square footage. Note: As of December 31, 2017 unless otherwise noted.

Confidential information. Not for further distribution.

500 8th Street, Washington, D.C.

Trophy Office in the East End of Washington, D.C.

General Description	
Property Type	Office
Year Built/Renovated	2007
Acquisition Date	9/18/2015
Effective Ownership %	100%
Size	325,361 sf
Leased Status	92%
Cost	$325M ($998 psf)
Market Value	$332M ($1,020 psf)
Risk Profile	Core
Property Certification	Energy Star Certified
Appraisal Metrics	
Direct Cap Rate	4.5%
Discount Rate	5.8%
Exit Cap Rate	5.3%
Exit Value (10-Yr)	$1,201 psf
Top Tenants[1]	**SF**
DLA Piper	236,445
Duane Morris	33,179
Penn Social, LLC	13,030
MCI Metro Access Transmission	5,678
American College of Radiology	4,966

Overview

- 500 8th Street is a trophy office building that was completed in 2007. The property is 92% leased with a global law firm, DLA Piper, leasing 72% of the building through September 2022.
- The property is located in the heart of Washington, D.C.'s East End submarket. 500 8th Street sits midway between the White House and the U.S. Capitol and is three blocks from the National Mall. The property is also within two blocks of two major Metro stations.
- The building's centerpiece is its 10-story glass atrium. There are two distinct lobbies (one on 8th Street and one on 9th Street) which allow DLA Piper its own private entrance. The building has two rooftop terraces with panoramic views, as well as a ground level fitness center. The property also includes an underground parking garage and a Michelin-star José Andrés restaurant.

[1] Based on square footage. Note: As of December 31, 2017 unless otherwise noted.

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Extra Space Storage Portfolio

Self Storage Portfolio – Various Markets

General Description	
Property Type	Self Storage
Year Built/Renovated	Various
Acquisition Date	7/14/2005
Effective Ownership %	96%
Size	6,549,831 sf
Leased Status	93%
Cost	$660M ($101 psf)
Market Value	$1,305M ($199 psf)
Risk Profile	Core
Property Certification	N/A
Appraisal Metrics	
Direct Cap Rate	5.1%
Discount Rate	8.4%
Exit Cap Rate	5.4%
Exit Value (10-Yr)	$278 psf

Extra Space Storage (Woodbridge, VA)

Strategic Market Exposure

Market (CSA)	PRISA's Share of GMV ($M)	% of Total
New York, NY	$244	19%
Los Angeles	146	12%
Washington DC	144	11%
Miami	82	7%
San Francisco	66	5%
Subtotal	$682	54%
Other Markets	571	46%
Total	$1,253	100%

Overview

- The Extra Space Portfolio consists of 85 self storage assets located throughout the United States. PRISA, in a joint venture with Extra Space Storage, acquired the portfolio in 2005 as part of PGIM Real Estate's buyout of Storage USA.
- Properties are managed by Extra Space Storage, the industry's largest third party manager
- The portfolio is well-balanced with many of the properties located in highly populated metropolitan areas
- All properties in the portfolio are stabilized, maintained to an institutional quality level and provide strong year-over-year NOI growth with limited capital expenditures

Note: As of December 31, 2017 unless otherwise noted.

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Digital Realty Portfolio, CA, TX & VA

Core Data Center Investment with Income Return Premium

General Description	
Property Type	Industrial
Year Built/Renovated	2000-2012
Acquisition Date	9/27/2013 & 3/5/2014
Effective Ownership %	77%
Size	1,168,809 sf
Leased Status	100%
Cost	$412M ($353 psf)
Market Value	$471M ($403 psf)
Risk Profile	Core
Property Certification	N/A
Appraisal Metrics	
Direct Cap Rate	6.6%
Discount Rate	7.5%
Exit Cap Rate	7.0%
Exit Value (10-Yr)	$451 psf
Top Tenants[1]	**SF**
SAVVIS	478,222
VADATA	261,788
Equinix	194,587
Bank of NY Mellon	108,336
Verizon Wireless	69,700
AT&T Wireless	56,176

444 Toyama Drive (Sunnyvale, CA)

Name	Location	SF	GMV ($M)
14901 FAA Blvd	Fort Worth, TX	263,700	$85.2
4650 Old Ironsides Dr.	Santa Clara, CA	124,383	73.4
43790 Devin Shafron Dr.	Ashburn, VA	152,138	65.1
2950 Zanker Blvd	San Jose, CA	69,700	44.3
636 Pierce Street	Somerset, NJ	108,336	43.6
21551 Beaumeade Circle	Ashburn, VA	152,504	41.2
4700 Old Ironside Drive	Santa Clara, CA	90,139	39.6
7505 Mason King Ct	Manassas, VA	109,650	36.3
444 Toyama Dr.	Sunnyvale, CA	42,083	32.7
900 Dorothy Dr.	Richardson, TX	56,176	10.3
Total Data Center		1,168,809	$470.9

Overview

- The Portfolio is comprised of ten buildings located in the US's top data center markets: Silicon Valley, Northern Virginia, Dallas and New Jersey
- PRISA is in partnership with Digital Realty Trust, the largest data center owner and operator in the U.S.
- Properties are fully leased to credit tenants and provides consistent, high quality cash flow with staggered lease maturities through 2027
- The SMAC (social, mobile, analytics and cloud) revolution continues to drive capital investment from technology companies into data centers

Note: As of December 31, 2017 unless otherwise noted. [1]Based on square footage.

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PRISA Recent Acquisition Activity

One-Year Ending December 31, 2017

Property	Location	Profile	SF/Units	Date	Invesment[1]	Rate[2]	LTV[3]
Spectrum[4]	Charlotte, NC	Core	331	3/10/2017	$9.9	5.2%	43.0%
The Quaye at Palm Beach Gardens	Palm Beach Gardens, FL	Core	340	7/19/2017	$118.7	4.4%	62.1%
Avalon Phase II – Veranda Apartments	Alpharetta, GA	Non-Core	276	10/2/2017	$16.8	5.4%	N/A
Broadstone Heritage Village Phase I[5]	Santa Ana, CA	Non-Core	335	10/18/2017	$133.5	5.7%	60.0%
Modera Glisan[5]	Portland, OR	Non-Core	295	10/23/2017	$118.6	5.8%	60.0%
One Greenway	Boston, MA	Core	217	11/16/2017	$144.7	4.1%	N/A
Crosswinds[4]	Annapolis, MD	Core	215	12/1/2017	$5.4	5.3%	N/A
Mariner Bay[4]	Annapolis, MD	Core	208	12/1/2017	$1.9	5.2%	N/A
Elan 1640[4]	Ft. Lauderdale, FL	Core	261	12/15/2017	$13.6	4.4%	N/A
Total Apartment					$563.2		
Aviator 10[5]	St. Louis, MO	Non-Core	548,650	1/19/2017	$28.5	7.8%	55.0%
Park 70 – Amazon[5,6]	Denver, CO	Core	1,016,116	1/20/2017	$99.7	5.6%	N/A
Baltimore Crossroads Phase II[5]	Baltimore, MD	Core	674,640	3/10/2017	$5.8	5.6%	45.0%
Aviator 4 [4]	St. Louis, MO	Core	227,500	4/19/2017	$3.0	6.0%	N/A
Total Industrial					$137.0		
Georgia Avenue	Brooklyn, NY	Non-Core	51,266	12/6/2017	$25.7	4.6%	N/A
Total Storage					$25.7		
Avalon Phase II – Retail	Alpharetta, GA	Core	88,771	10/2/2017	$8.2	5.3%	N/A
Total Retail					$8.2		
Contributions to Land Previously Acquired					($47.1)		
Joint Venture Partners' Share					($23.4)		
Total Closed Acquisitions					$663.6		

[1] Represents 100% of cost. [2] Based on underwriting metrics estimated as of the date of Investment Committee approval. For Core investments, cap rate represents going-in; for Non-Core investments, cap rate represents stabilized cap rate. [3] For development assets, LTV is based on final construction costs. [4] Partner Buyout. [5] Investment on land already owned by PRISA. Costs reflected are for the vertical construction only. [6] On October 20, 2017, PRISA acquired the JV partners share of the investment (50%), thus making PRISA's position wholly-owned

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PRISA Recent Disposition Activity

One-Year Ending December 31, 2017

Property	Location	Risk Profile	SF/Units	Sale Date	Cost	Gross Sales Proeeds[1]	Net Proceeds[2]	Hold Period	IRR[3]	Equity Multiple[3]
Glendale Plaza	Glendale, CA	Core	532,651	2/28/2017	$245.1	$179.0	$178.5	11	2.0%	1.2x
Holy Cross Medical Pavilion	Silver Spring, MD	Core	62,379	6/13/2017	11.0	24.0	8.0	5	17.0%	2.0x
1800 M Street	Washington, D.C.	Core	568,173	10/11/2017	251.7	427.2	426.0	13	10.5%	2.2x
701 Gateway	San Francisco, CA	Core	170,837	12/19/2017	68.6	76.0	75.4	3	8.2%	1.2x
120 N. LaSalle	Chicago, IL	Core	383,446	12/28/2017	113.8	$107.0	105.9	15	5.8%	1.6x
Total Office					$690.2	$813.2	$793.8			
North Point Market Center	Alpharetta, GA	Core	420,556	3/29/2017	$72.0	$108.5	$107.8	18	11.3%	2.8x
Village at Allen	Allen, TX	Core	836,022	12/21/2017	147.8	170.5	168.9	7	9.6%	1.4x
Total Retail					$219.8	$279.0	$276.7			
Axis at Perimeter	Atlanta, GA	Core	312	4/28/2017	$55.8	$60.5	$60.0	5	8.1%	1.2x
Dakota Springs	Austin, TX	Core	342	7/31/2017	40.3	51.2	50.7	10	7.9%	1.6x
Total Apartments					$96.1	$111.7	$110.7			
The James Hotel	New York, NY	Core	114	12/14/2017	$83.8	$66.3	$63.1	5	-0.9%	1.0x
Total Hotel					$83.8	$66.3	$63.1			
Pacific Industrial Portfolio	Oxnard, CA	Core	399273	12/22/2017	$38.5	$42.2	$41.6	4	7.7%	1.3x
Total Industrial					$38.5	$42.2	$41.6			
Perris Harvill	Perris, CA	Non-Core	N/A	1/13/2017	$3.7	$4.2	$3.9	12	0.8%	1.0x
Avalon Phase I Land	Alpharetta, GA	Non-Core	N/A	6/27/2017	6.0	5.1	5.1	1	N/A[4]	N/A
Prologis Land[5]	Denver, CO	Non-Core	N/A	12/18/2017	5.8	5.0	2.1	12	N/A[4]	N/A
Total Land					$15.5	$14.3	$11.1			
ESS – Louisville Adam St.[5]	Louisville, KY	Core	44890	11/16/2017	$5.2	$6.7	$6.2	12	N/A[4]	N/A
Total Storage					$5.2	$6.7	$6.2			
Joint Venture Partners' Share						($10.1)				
Total Closed Dispositions					$1,149.1	$1,323.3	$1,303.2			

[1] Represents 100% of the investment. [2] PRISA's share of net closing costs, partners' share and debt. [3] There is no guarantee that returns for these or similar investments in the future will be achieved. [4] IRR cannot be calculated. [5] Partial Sale.

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PRISA Top 10 Tenants

As of December 31, 2017

PRISA's largest tenants are diversified across the financial, law, technology, government, energy and insurance sectors.

Tenant	Property	Industry	Credit Rating (S&P)[1]	% of Fund's Revenue	Square Feet
Credit Suisse Securities (USA)	11 Madison Ave/1111 Brickell	Finance	A	2.0%	1,289,994
Proskauer Rose	Eleven Times Square Office/International Place One	Legal	NR	1.8%	503,356
Sony Corporation of America	11 Madison	Consumer Electronics	BBB	1.2%	578,791
Eaton Vance	International Place Two/100 Park Ave	Finance	A-	1.1%	327,883
DLA Piper US LLP	500 8th Street/100 North Tampa	Legal	NR	0.9%	266,150
Amazon.com	Digital Realty/Park 70 / SBP Rainer	e-commerce	AA-	0.9%	1,679,255
Savvis Communications	Data Centers	Technology	NR	0.7%	478,222
Sargent & Lundy	55 East Monroe	Oil and Energy	NR	0.7%	440,520
Marsh & McLennan	1111 Brickell/ Waterfront Corporate Ctr. Ph2	Insurance	A-	0.6%	141,851
Apple	Cupertino Gateway	Technology	AA+	0.6%	220,672
Total				10.6%	5,926,694

[1] Standard & Poor's. January 2018.
Note: Based on annual PRISA's share of revenue contribution.

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PRISA Valuation Metrics

As of December 31, 2017

- Since 4Q16, direct cap rates and discount rates declined by 11 bps
- Although cap rates are low, the spreads relative to the 10-year Treasury yield are still in line with long-term averages
- All properties owned by PRISA are valued in accordance with authoritative accounting guidance (US GAAP). PRISA's assets are appraised each quarter by an independent appraiser

Valuation Metrics By Property Type[1,2]	December 31, 2017		September 30, 2017		December 31, 2016		
Property Type	Direct Cap Rate	Discount Rate	Direct Cap Rate	Discount Rate	Direct Cap Rate	Discount Rate	Market Value Per SF/Unit
Office - CBD	4.43%	6.00%	4.55%	6.14%	4.51%	6.01%	$771 psf
Office - Suburban	5.52%	7.19%	5.59%	7.17%	5.40%	7.08%	$403 psf
Apartment - Suburban	5.04%	6.91%	5.06%	6.93%	5.02%	6.96%	$278,460 per unit
Apartment - CBD	4.26%	6.35%	4.26%	6.39%	4.24%	6.45%	$495,933 per unit
Retail	5.54%	6.91%	5.56%	6.95%	5.60%	7.01%	$340 psf
Industrial	5.06%	6.41%	5.10%	6.55%	5.27%	6.70%	$132 psf
Storage	5.11%	8.36%	5.18%	8.30%	5.19%	8.28%	$208 psf
Total Portfolio[3]	4.79%	6.50%	4.87%	6.60%	4.90%	6.61%	

[1] Rates are weighted based on gross market value.
[2] The direct cap rate generally reflects the external appraiser's calculation of stabilized NOI divided by current appraised value.
[3] Total includes Harbor Garage.

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PGIM Real Estate & PRISA Sustainability

As of December 31, 2017

Our Sustainability Mission

To incorporate sustainability practices into our real estate investment process and the management of our global portfolio that result in increased operating efficiency, and contribute to delivering superior risk adjusted returns for our investors and cost savings and health benefits for our property occupants, while being a good global citizen and respecting the needs of all stakeholders.

Our Sustainability Objectives

- Improve investment returns for our clients
- Become a landlord of choice
- Practice good global citizenship starting with the communities we serve

PRISA Recognition

- PRISA's 2017 Global Real Estate Sustainability Benchmark (GRESB) ranking is in the top quartile with respect to its peer group of diversified, non-listed U.S. funds (ranked 9 of 39)[2] and earned a GRESB 4-star rating.
- PRISA earned a GRESB Green Star in the 2017 survey. PRISA earned scores of 80 for Management and Policy, 74 for Implementation and Measurement and 75 Overall. PGIM Real Estate has earned a total of 25 GRESB Green Star Awards in the past three years.
- 43 PRISA buildings at 40 assets ($7.6B or 33% of GMV)[3] have achieved LEED or National Green Building Standard certification.
- 29 PRISA buildings ($7.1B or 31% of GMV)[3] have earned the U.S. EPA's Energy Star Certification for 2017, with more properties expected to achieve certification in 2018.
- In total, 55 buildings[4] ($10.0B or 44% of GMV)[3] have earned LEED, NGBS or Energy Star certification.

CERTIFIED ASSETS BY PROPERTY TYPE[1]

CERTIFICATION TYPE[1]

[1] Based on asset count. [2] Source: GRESB Benchmark Report 2017 as of September 6, 2017. [3] Based on PRISA's share of GMV. [4] 17 assets have achieved both a LEED and Energy Star Certification. [5] Existing Building – Operations and Maintenance is an acquired or owned operating entity that is certified at the LEED standards. [6] Core & Shell – Address the new building design and construction process for buildings where interiors are not part of the initial design process. [7] $4.6B of energy star buildings are also LEED Certified.

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Appendix:
PRISA SA, PRISA LP, and Net Returns Addendum

PGIM Real Estate

PGIM

PRISA LP

Management Fee

PRISA Management Fee Schedule	
Investor NAV[1]	Fee Rate
First $25 million	100 bps
Over $25 million up to $50 million	95 bps
Over $50 million up to $100 million	85 bps
Over $100 million up to $200 million	75 bps
Over $200 million up to $300 million	70 bps
Over $300 million	65 bps

Effective Fees for Different Sized Accounts	
Investor NAV[1]	Fee rate
$25M	100 bps
$50M	98 bps
$100M	91 bps
$150M	86 bps
$250M	81 bps

[1]Cash balances greater than 5% of the Fund's NAV will not incur a fee.

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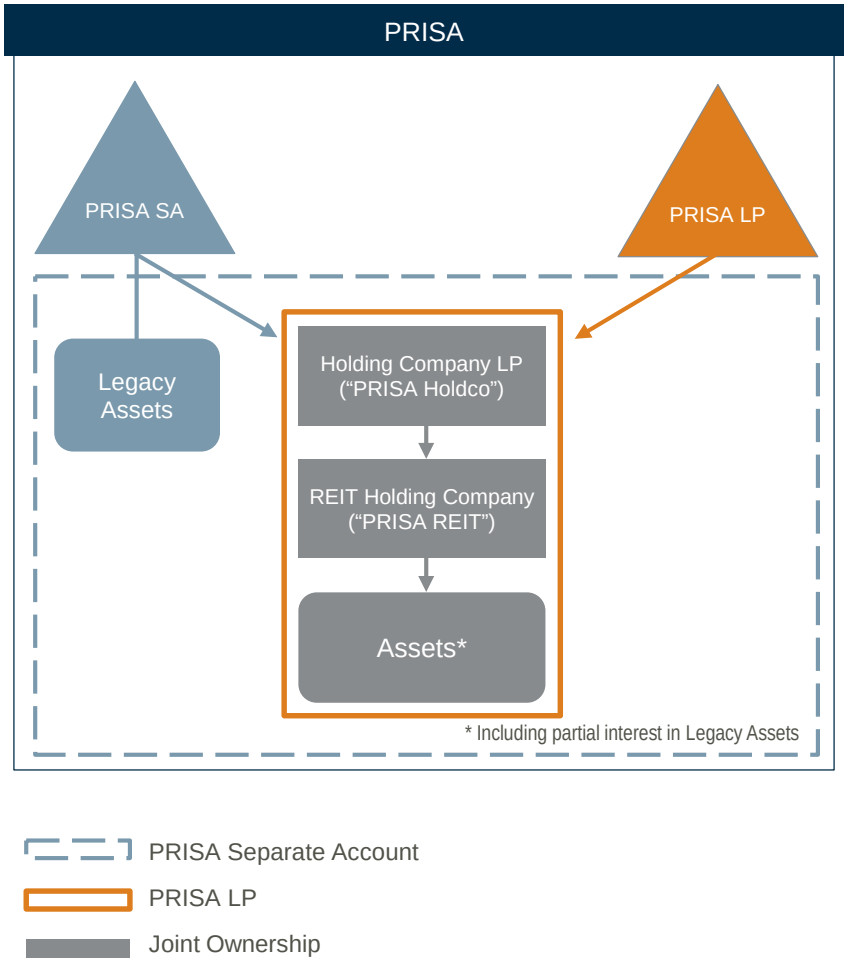
PRISA Structure

Summary of Structure

- PRISA is comprised of PRISA SA, an Insurance Company Separate Account, and PRISA LP, a Delaware Limited Partnership.
- PRISA LP, which was launched in 2013, will invest in all assets PRISA SA elects to acquire, through a real estate investment trust ("PRISA REIT") that is expected to be domestically (U.S.) controlled.
- PRISA SA holds a direct partial interest in certain assets ("Legacy Assets") acquired prior to the launch of PRISA LP. PRISA LP and PRISA SA have exposure to the remaining interest in these properties through PRISA REIT.
- As of December 31, 2017, PRISA SA and PRISA LP represent approximately 75% and 25% of PRISA REIT, respectively.
- With limited exceptions, all new investors in PRISA will invest through PRISA LP.
- Non-U.S. investors with tax structuring needs can invest directly into PRISA LP or indirectly through a vehicle that will act as a "blocker"



Note: "PRISA" represents the aggregate or composite of PRISA SA and PRISA LP vehicles.

PRISA Legacy Assets

As of December 31, 2017

Legacy Assets							
	Location	Property Type	Acquisition Date	PRISA's Share GMV ($M)	PRISA's Share Cost ($M)	Net Market Value[1] ($M)	% of REIT GMV ($M)
100 Park Avenue	NY	Office	8/1/1974	$413.3	$208.5	$236.1	99.6%
2600 10th Street	CA	Office	1/24/2007	31.7	$40.3	$28.8	49.9%
EmeryStation Triangle	CA	Industrial	8/27/2007	12.8	$5.3	$12.6	49.9%
EmeryStation East	CA	Office	10/30/2008	151.5	$79.3	$112.8	49.9%
EmeryStation I	CA	Office	12/21/2004	112.9	$56.9	$92.3	49.9%
EmeryStation II	CA	Office	12/31/2004	92.3	$46.8	$67.2	49.9%
EmeryStation West	CA	Office	5/27/2016	83.1	$83.1	$37.2	87.3%
Galleria	CA	Retail	12/18/1984	26.4	$46.1	$31.7	48.3%
Heritage Square	CA	Office	12/31/2004	22.5	$10.9	$15.3	49.9%
North Hollywood - Milano	CA	Residential	1/29/2008	74.9	$50.4	$74.9	49.9%
Pardee	CA	Industrial	5/5/2008	6.4	$4.3	$6.5	49.9%
Post Montgomery Tower	CA	Office	12/18/1984	650.0	$402.8	$644.1	48.6%
Signature Point	CA	Residential	9/24/2004	134.0	$78.7	$133.8	50.0%
The Fillmore Center	CA	Residential	12/22/2004	661.0	$279.3	$662.1	50.0%
Triana	CA	Residential	9/8/2008	141.0	$110.5	$142.0	49.9%
Total				$2,613.8	$1,503.1	$2,297.4	$1,532.7
							58.6%

[1] Reflects PRISA's share excluding joint venture partner interests and net of debt.

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PRISA LP Key Information

As of December 31, 2017

The Basics[1]	
Gross Asset Value	$23.5B
Net Asset Value	$18.7B
Cash Balance	$705.2M
The Debt Picture	
Fixed/Floating %[2]	75% / 25%
Recourse Leverage Ratio	2.8%
Weighted Average Cost of Debt (Fixed/Floating)	3.8%
Weighted Average Maturity	5.7 Yrs

Strategic Market Exposure		
Market	**Exposure[3]**	**(Under)/Overweight to ODCE[4]**
New York	19.4%	+290 bps
Los Angeles	14.9%	+210 bps
Washington D.C.	11.2%	+400 bps
San Francisco	8.6%	-200 bps
Boston	8.0%	+40 bps
Chicago	6.9%	-100 bps
Miami	6.6%	+210 bps
Total	75.6%	

Returns vs. NFI-ODCE[5]

	Income		Appreciation		Total Return	
Time Period	**PRISA LP**	**NFI-ODCE**	**PRISA LP**	**NFI-ODCE**	**PRISA LP**	**NFI-ODCE**
Current Quarter	1.14%	1.06%	0.80%	1.01%	1.94%	2.07%
1-Year	4.63%	4.35%	2.74%	3.15%	7.46%	7.62%
3-Year	4.75%	4.54%	5.47%	5.68%	10.41%	10.42%
5-Year	4.95%	4.78%	6.68%	6.51%	11.87%	11.53%
10-Year	5.53%	5.23%	-1.03%	-0.21%	4.48%	5.03%
Since NFI-ODCE Inception (3/31/78)	7.62%	7.23%	1.27%	1.41%	8.96%	8.72%
Since PRISA Inception (7/1/70)	7.67%	N/A	1.27%	N/A	9.02%	N/A

[1] "Gross Asset Value," "Net Asset Value" and Cash Balance represents the value of the assets held by PRISA SA and PRISA LP without netting out PRISA SA's respective interest therein. PRISA LP's net asset value is $4,624.8M as of December 31, 2017. [2] Includes floating rate loans with caps. [3] Based on PRISA LP's share of gross market value in properties and debt investments. [4] NFI-ODCE does not publish detailed property information. Market information is based on CSA definitions and calculated by extracting NFI-ODCE property data from the NCREIF Research Database. Data as of December 31, 2017. [5] 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 final report published by NCREIF on January 30, 2018. Past performance is not a guarantee or a reliable indicator of future results. Please refer to the appendix for further information.

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PRISA SA Key Information

As of December 31, 2017

The Basics[1]	
Gross Asset Value	$24.5B
Net Asset Value	$19.7B
Cash Balance	$706.3M
The Debt Picture	
Fixed/Floating %[2]	75% / 25%
Recourse Leverage Ratio	2.8%
Weighted Average Cost of Debt (Fixed/Floating)	3.8%
Weighted Average Maturity	5.7 Yrs

Strategic Market Exposure		
Market	**Exposure[3]**	**(Under)/Overweight to ODCE[4]**
New York	18.4%	+210 bps
Los Angeles	14.6%	+180 bps
San Francisco	12.0%	+140 bps
Washington D.C.	10.7%	+350 bps
Boston	7.7%	+10 bps
Chicago	6.6%	-130 bps
Miami	6.3%	+180 bps
Total	76.3%	

Returns vs. NFI-ODCE[5]

	Income		Appreciation		Total Return	
Time Period	**PRISA SA**	**NFI-ODCE**	**PRISA SA**	**NFI-ODCE**	**PRISA SA**	**NFI-ODCE**
Current Quarter	1.13%	1.06%	0.77%	1.01%	1.90%	2.07%
1-Year	4.60%	4.35%	2.76%	3.15%	7.46%	7.62%
3-Year	4.72%	4.54%	5.56%	5.68%	10.48%	10.42%
5-Year	4.92%	4.78%	6.71%	6.51%	11.88%	11.53%
10-Year	5.51%	5.23%	-1.01%	-0.21%	4.49%	5.03%
Since NFI-ODCE Inception (3/31/78)	7.62%	7.23%	1.27%	1.41%	8.96%	8.72%
Since PRISA Inception (7/1/70)	7.67%	N/A	1.28%	N/A	9.02%	N/A

[1] "Gross Asset Value," "Net Asset Value" and Cash Balance represents the value of the assets held by PRISA SA and PRISA LP without netting out PRISA LP's respective interest therein. PRISA SA's net asset value is $15,070.1M as of December 31, 2017. [2] Includes floating rate loans with caps. [3] Based on PRISA SA's share of gross market value in properties and debt investments. [4] NFI-ODCE does not publish detailed property information. Market information is based on CSA definitions and calculated by extracting NFI-ODCE property data from the NCREIF Research Database. Data as of December 31, 2017. [5] 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 final report published by NCREIF on January 30, 2018. Past performance is not a guarantee or a reliable indicator of future results. Please refer to the appendix for further information.

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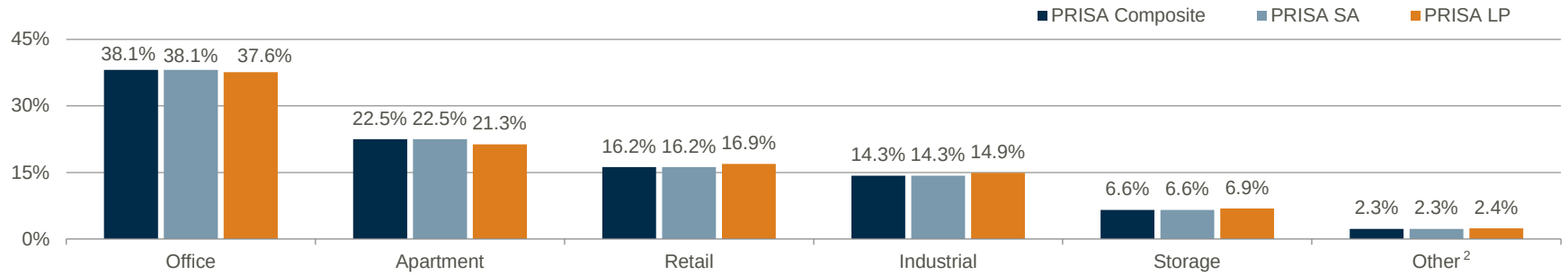
PRISA Risk Metrics & Diversification

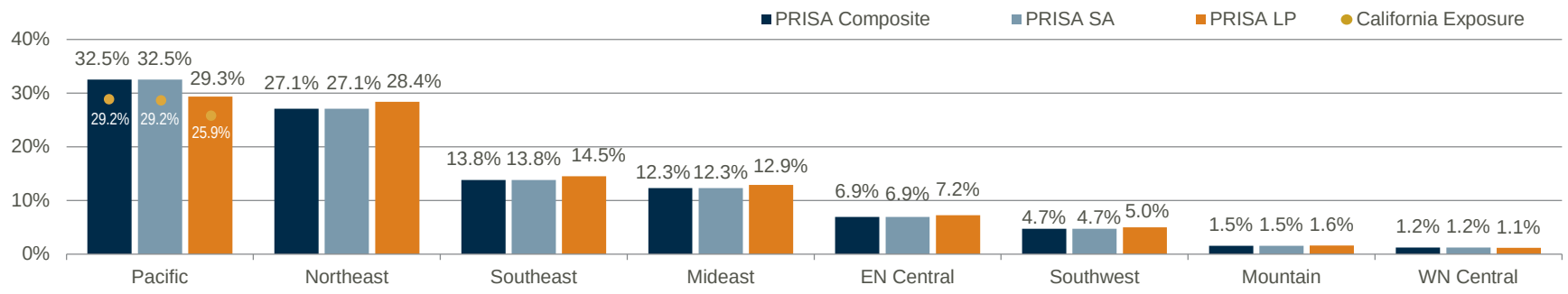
As of December 31, 2017

Key Risk Metrics	Guideline	PRISA Composite	PRISA SA	PRISA LP
Core	≥ 90%	90.5%	90.5%	90.0%
Leverage Ratio	≤ 30%	19.8%	19.8%	19.6%
Debt to Income Multiple	≤ 5x	4.8x	4.8x	5.0x
Single Asset Exposure	< 5%	International Place, 6.1%	International Place, 6.1%	International Place, 6.4%

PROPERTY TYPE DIVERSIFICATION[1]



GEOGRAPHIC DIVERSIFICATION[1]



[1] Based on PRISA's share of gross market value in properties and debt investments. [2] Other includes Harbor Garage and land. Note: Please see page 16 for important information regarding PRISA Composite.

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Endnotes

- **PRISA Separate Account ("PRISA SA")** is the original PRISA fund structured as an insurance company separate account with an inception date of July 1970.
- **PRISA LP** is the new investment vehicle formed on January 1, 2013 to invest in substantially all of the existing portfolio of PRISA SA assets (as of December 31, 2012) as well as all assets that PICA, on behalf of PRISA SA, elects to invest in going forward.
- **PRISA or PRISA Composite** reflects the combined performance of all assets held by PRISA SA and PRISA LP. Although this is not an actual fund in which any client is invested, it is indicative of the overall performance of the PRISA investment strategy and, therefore, the PRISA Composite returns and portfolio metrics will be provided to NCREIF for inclusion in the NFI-ODCE and other NCREIF Indices. PRISA may also refer to the PRISA portfolio and asset management teams.
- **PRISA REIT** is the entity through which PRISA LP will make all of its investments. As of December 31, 2017, PRISA LP and PRISA SA own approximately 24.8% and 75.2% of PRISA REIT, respectively. Any reference to PRISA LP's dollar exposure throughout this document refers to that of PRISA REIT, unless otherwise noted.
- **Important Note on Historical Information:** Economic terms and other portfolio metrics reported for PRISA, PRISA SA or PRISA LP that include periods to the formation of PRISA LP reflect information for PRISA SA for those periods prior to January 1, 2013. Prior to the formation of PRISA LP, PRISA and PRISA SA were one and the same.

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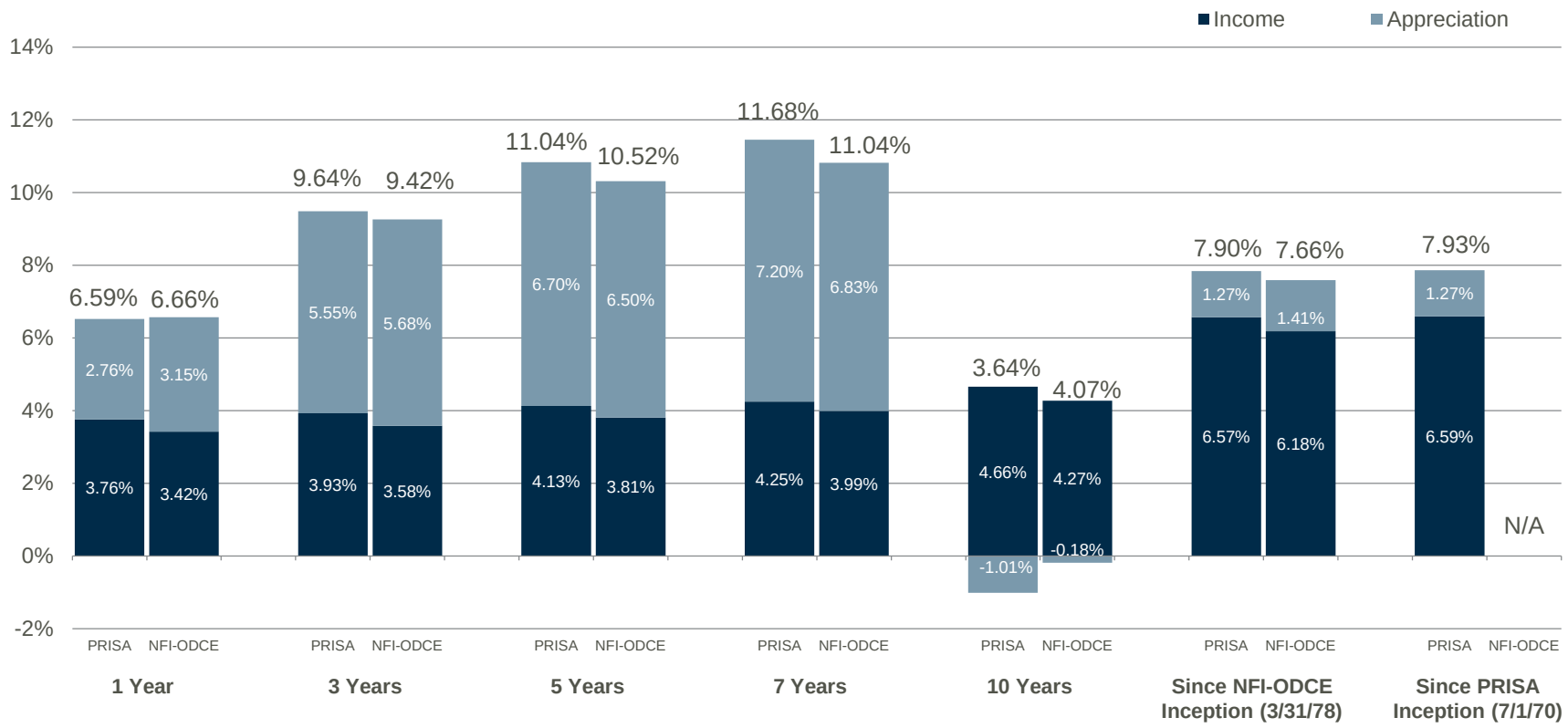
PRISA Composite Net Performance

As of December 31, 2017

PRISA COMPOSITE NET RETURNS VS. NFI-ODCE NET RETURNS[1]



[1] Returns shown prior to January 1, 2013 are based upon PRISA SA only.

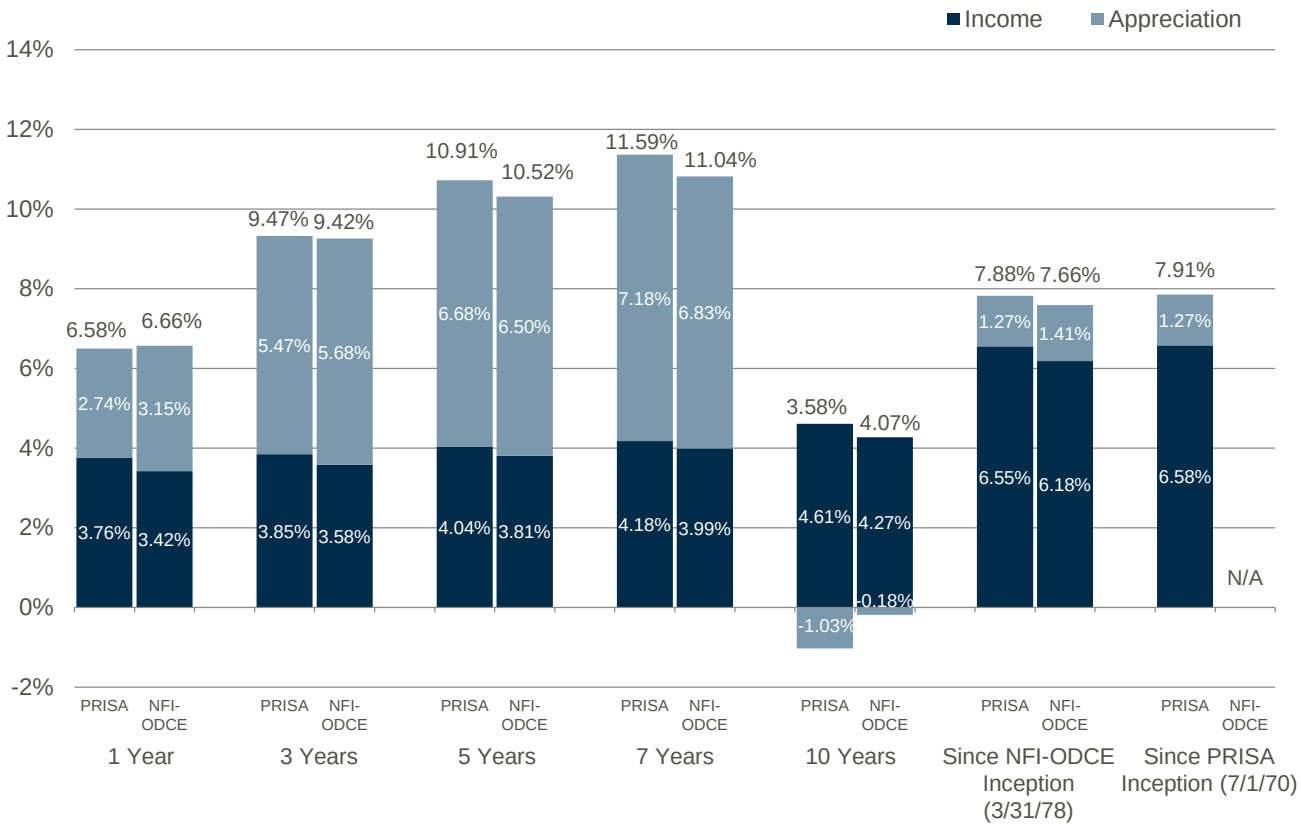
Note: Returns for NFI-ODCE are based on the final report published by NCREIF on January 30, 2018. Returns shown are time-weighted rates of return after deduction of Manager Compensation/Fees. Past performance is not a guarantee or a reliable indicator of future results.

PRISA LP Returns After Manager Compensation/Fees

As of December 31, 2017

Net Performance	
PRISA LP	**4Q17**
Income	0.93%
Appreciation	0.80%
Total Return	**1.73%**
NFI-ODCE	**1.85%**

PRISA LP NET RETURNS VS. NFI-ODCE NET RETURNS



[1] Returns shown prior to January 1, 2013 are based upon PRISA SA only.

Note: Returns for NFI-ODCE are based on the final report published by NCREIF on January 30, 2018. Returns shown are time-weighted rates of return after deduction of Manager Compensation/Fees. Past performance is not a guarantee or a reliable indicator of future results. Please see page 16 for important information regarding PRISA Composite.

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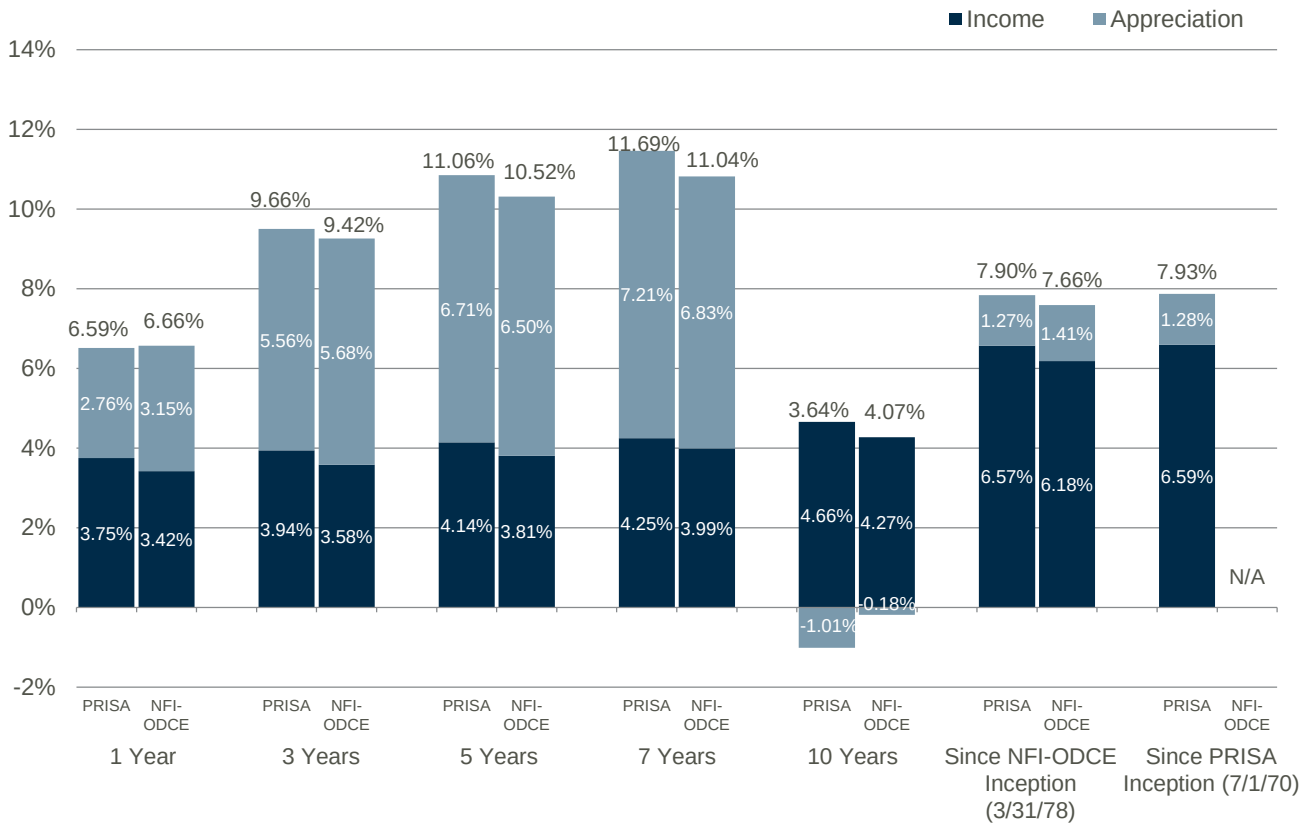
PRISA SA Returns After Manager Compensation/Fees

As of December 31, 2017

Net Performance	
PRISA SA	**4Q17**
Income	0.93%
Appreciation	0.77%
Total Return	**1.70%**
NFI-ODCE	**1.85%**

PRISA SA NET RETURNS VS. NFI-ODCE NET RETURNS



[1] Returns shown prior to January 1, 2013 are based upon PRISA SA only.

Note: Returns for NFI-ODCE are based on the final report published by NCREIF on January 30, 2017. Returns shown are time-weighted rates of return after deduction of Manager Compensation/Fees. Past performance is not a guarantee or a reliable indicator of future results. Please see page 16 for important information regarding PRISA Composite.

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PGIM Real Estate's Definition of Core

- Office, retail, warehouse, storage, and residential properties that were more than 80% leased when purchased and hotels that were operating at, or near, market occupancy. (For the sake of clarity, properties will not move out of the core category if their occupancy falls below the 80% threshold subsequent to acquisition)
- Properties (office, retail, warehouse, multi-family or storage) that were developed, renovated or purchased and have now achieved leasing of 80% or more of the total leasable area
- Properties undergoing a minor renovation/expansion that does not have a material impact on the property's occupancy or operation
- Build-to-suit investments which are 80% or more pre-leased and where the Fund has reasonable protection from completion and cost overrun risk
- Investment activities incidental to the Fund's main strategies:
  - Listed securities or purchase money mortgages accepted as part of the consideration in a property sale
  - Senior first mortgages with an LTV at origination of 65% or less

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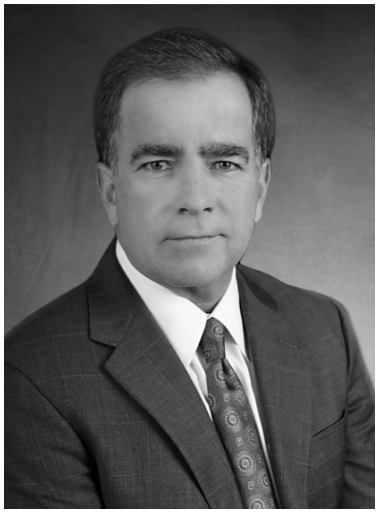
Frank E. Garcia

Managing Director, PRISA Senior Portfolio Manager



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(415) 486-3802

Number of Years of Real Estate Experience: 24
Number of Years with the Firm: 4

Frank Garcia is a managing director at PGIM Real Estate and senior portfolio manager for PRISA, PGIM Real Estate's flagship U.S. core equity real estate fund. Based in San Francisco, Frank is responsible for managing all aspects of the fund including portfolio strategy, investment decisions, and management of the PRISA team. Frank is a member of the U.S. Executive Council and Investment Committee.

Previously, Frank served as a portfolio manager for PRISA. Before joining PGIM Real Estate in 2013, Frank was a managing director at RREEF, where he was a senior portfolio manager for the firm's flagship core fund, responsible for a nearly $5 billion portfolio of assets, and the lead portfolio manager for the firm's flagship value-add fund that reached a peak gross value of $4 billion. He was also a voting member of the firm's investment committee. Earlier, Frank worked at Spieker Properties as a vice president in Northern California, responsible for the development, management ,and leasing of approximately three million square feet of office and industrial space with a total portfolio value of over $250 million. He was also previously an industrial real estate broker with CB Commercial (now CBRE).

Frank has a bachelor's degree from the University of the Pacific with a concentration in business administration.

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Joanna Mulford

Managing Director, PRISA Portfolio Manager/Chief Financial Officer

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(973) 683-1743

Number of Years of Real Estate Experience: 21
Number of Years with the Firm: 28

Joanna is a managing director at PGIM Real Estate and the portfolio manager and chief financial officer for PRISA, PGIM Real Estate's flagship U.S. core equity real estate fund. Based in Madison, New Jersey, she is involved in all aspects of managing the fund including portfolio strategy, making investment decisions and management of the PRISA team. As CFO, she has primary responsibility for developing and executing the fund's capital strategy and oversight of financial operations and tax structuring.

Prior to joining the PRISA team in 2008, Joanna was responsible for U.S. real estate investment sales on behalf of PGIM Real Estate's clients.

During her tenure with PGIM Real Estate, Joanna has served as the portfolio manager of several closed-end funds, including a value-add strategy with a private REIT structure. Joanna also helped launch PGIM Real Estate's debt investment platform, raising investor capital for and managing its first mezzanine fund.

Prior to this, she was responsible for the asset management of a portfolio of commercial real estate investments including office, residential, retail, storage and industrial property types and mezzanine loans.

Before joining PGIM Real Estate in 1997, Joanna was a member of Prudential Financial, Inc.'s Private Equity group, working on behalf of the company's domestic and international subsidiaries investing in private equity transactions. Previously, she was a member of the Comptrollers unit of the Prudential Asset Management Company since joining the firm in January of 1990. She provided support to several of Prudential's money management subsidiaries investing in both public and private equities.

Joanna has a bachelor's degree in finance and management and a master of business administration from Rutgers University.

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James Glen

Executive Director, PRISA Portfolio Manager

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(973) 683-1686

Number of Years of Real Estate Experience: 17
Number of Years with the Firm: 3

James Glen is an executive director of PGIM Real Estate and portfolio manager for PRISA, PGIM Real Estate's flagship core real estate fund. Based in Madison, New Jersey, James is involved in asset management oversight and transactions, and works with the PRISA team on fund strategy.

Prior to joining PGIM Real Estate, James served as global head of research and strategy within BlackRock's real estate group, with responsibility for monitoring real estate markets globally and formulating investment strategy to support $24 billion of investments across the United States, Europe and Asia Pacific. Previously, he spent more than five years with BlackRock's portfolio management group, where he worked on the core and opportunistic real estate funds in the United States and internationally. James' service with BlackRock's real estate group and its predecessor, SSR Realty Advisors, dates back to 2004. Prior, James was a senior economist at the economic consulting firm Moody's Analytics and began his career as an analyst at JP Morgan Chase.

James earned a bachelor's degree in economics from the University of North Carolina at Greensboro and a master's degree in economics from the University of Delaware. He is a member of the National Council of Real Estate Investment Fiduciaries (NCREIF), the Pension Real Estate Association (PREA), the National Association of Real Estate Investment Managers (NAREIM), and the CFA Institute.

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Catherine Minor

Vice President, PRISA Assistant Portfolio Manager

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Number of Years of Real Estate Experience: 18
Number of Years with the Firm: 2

Catherine Minor is an assistant portfolio manager for PRISA working all aspects of managing the Fund including portfolio strategy, investment selection and disposition, asset management and portfolio reporting.

Prior to this role, Catherine served as an asset manager for PRISA II, covering approximately $2 billion of retail, office, multifamily and mixed-use assets on the west coast. She has 18 years of experience in property acquisitions, financing, entitlements, design, ground-up and tenant improvement construction, asset management and leasing. Her experience ranges across all product types, including office, residential, hospitality, warehouse, medical office, senior living, mixed-use developments and public private partnerships.

After receiving a degree in Civil Engineering from Brown University, Catherine began her career working at DPR Construction in San Diego and later in San Francisco. She transitioned into development after pursuing an MBA at the Haas School of Business. She joined Deutsche Bank Asset and Wealth Management (formerly RREEF) in 2007 as an asset manager in the Value Add and Development Group and worked for Google in corporate Real Estate from 2012 to 2014.

Catherine holds a Bachelor's of Science degree in Civil Engineering from Brown University, and a Master's in Business Administration from Haas School of Business, UC Berkeley. She is an active member of ULI and was recognized by the San Francisco Business Times as a Northern California Real Estate Woman of Influence in 2013.

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Kevin P. Smith

Executive Director, Business Development and Client Relations

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(973) 683-1658

Number of Years of Real Estate Experience: 25
Number of Years with the Firm: 29

Kevin P. Smith is an executive director at PGIM Real Estate and a member of the U.S. Business Development and Client Relations group. Based in Madison, New Jersey, he is responsible for sales to corporate, public and union pension funds, and selected other institutional investors throughout the United States.

Prior to joining PGIM Real Estate in 1988, Kevin was 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 1992, Kevin has been a member of the group responsible for client service and marketing of Prudential's 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.

Valuation Policy

All 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 Chief Real Estate Appraiser of PGIM (the "Chief Appraiser") is responsible for the valuation process of the Fund's investments and approves all final gross real estate values. The Chief Appraiser position is independent from PGIM-Real Estate and reports directly to the VP of PGIM Center Finance of PGIM, Inc. 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 appraisal team. In addition to the administrative services, the AMF collects asset manager comments and provides independent reviews of the appraisal reports in order to maintain documentation and monitoring of the independence and accuracy of the valuation process, and reasonableness of the conclusions. 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.

All real estate properties and other investments are appraised every quarter with the exception of 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. Cost is considered fair value for properties under development until substantial completion or preleasing has occurred assuming the same premise. If cost is not considered to be representative of market, the properties are independently appraised based on the general policy. All appraisals consider the conventional method of valuation (income, cost and market) and all appraisals and 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 the Red Book Real Estate Valuation Standards set by Royal Institute Chart of Surveyor and the International Valuation Standards 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.

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Disclosures

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NCREIF Fund Index-Open End Diversified Core Equity (NFI-ODCE): The NFI-ODCE, short for NCREIF Fund Index - Open End Diversified Core Equity, is the first of the NCREIF Fund Database products and is an index of investment returns reporting on both a historical and current basis the results of private open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. Fund membership requires the following criteria: (1) Private open-end funds; (2) Not more than 40% leverage; (3) At least 80% of assets in the five major property types; (4) At least 95% of assets located in the U.S.; and (5) Not more then 70% of assets in one region or one property type. Reinvestment of dividends is not applicable to this asset class. Note: A benchmark Index is not professionally managed, does not have a defined investment objective, and does not incur fees or expenses. Investors cannot invest directly in an index.

The NCREIF Property Index (NPI): The NCREIF Property Index ("NPI") is comprised of the NCREIF Classic Property Index (unleveraged) and the NCREIF Leveraged Property Database. The universe of investments includes: (1) Wholly owned and joint-venture investments; (2) Existing properties only -- no development projects; and (3) Only investment-grade, non-agricultural, income-producing properties: apartments, hotels, office, retail, office showroom/R&D, and warehouses. The database fluctuates quarterly as participants acquire properties, as new members join NCREIF, and as properties are sold. Sold properties are removed from the Index in the quarter the sales take place (historical data remains). Each property's market value is determined by real estate appraisal methodology, consistently applied. Please note that when returns are computed for the NPI, the returns for the levered properties are computed on a de-levered basis, i.e., the impact of financing is excluded. Reinvestment of dividends is not applicable to this asset class. Note: A benchmark Index is not professionally managed, does not have a defined investment objective, and does not incur fees or expenses. Investors cannot invest directly in an index.

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