



Ajit Menon
CEO

A crisis brings opportunities too

October, 2021

Dear Investors and Partners,

Happy Diwali and a Prosperous New Year.

As we start the new year, the trends that are keeping us excited here at PGIM India is the Real Estate story and the fact that we have been able to successfully bring a product proposition for Indian investors which is unique and can provide you access to a different asset class altogether within the mutual fund space. The PGIM India Global Select Real Estate Securities Fund of Fund (FoF) opens for subscription on 15th November 2021 and closes on 29th November 2021. When we think of the Real Estate investment opportunity, most of us are inclined to think in traditional terms of physical Residential or Commercial property. The option to participate in this asset class which retains the characteristics of physical property but also brings forth the benefit of a mutual fund structure is a very exciting one.

The effects of a global pandemic is now receding and economies around the world are recovering fast. Some sub-sector within the real estate has seen a disruption due to Covid 19 and some of the shift in behaviour may prove to be useful for demand in the long term. Any disruption historically for e.g. new technology, has been mostly about consumer choice for saving time. Any new technology which provide convenience and can shape human behaviour and has a greater chance of being a success. As an investor it is imperative to recognize these disruptions and shift in consumer behaviour to lead us to investment choices which have the potential to generate above average returns.

Real Estate is also in a disruption of sorts, wherein on one hand we have the after-effects of the pandemic and on the other hand there are new opportunities, but at the heart of this disruption is the same underlying theme of change in behaviour, which leads me to believe that we are on the cusp of a new cycle in real estate. A case in point is the shift in how companies are thinking of procuring materials and the supply chain may shift from just-in-time to just-in-case. This has long term ramifications in terms of demand for space and storage, which may include specialized facilities as well. However in the past, we have seen that to capitalize on any such disruptive opportunities, one needs to have that information edge, as initial innovation can be replicated fast and challengers may arrive on the scene. Fortunately within the PGIM group, we have deep expertise and specialized knowledge of global real estate through PGIM Real Estate team located all over the globe.

I started off by saying that traditional way of investing in physical real estate is changing and new innovations are emerging. Another traditional area which I think is seeing a rethink is the 60/40 portfolio mix of stocks and bonds for the long term. A global Real Estate FoF can help in diversifying further and adds another element for asset allocation strategies. Apart from growth and income considerations, the modern day portfolios needs to be build taking into account higher inflationary expectations going forward and probably higher interest rates as well. Real Estate historically have been a beneficiary in such environment.

To summarize a Global Real Estate FoF provides an unique opportunity for Indian investor, which is a combination of providing access in a hitherto asset class which was unaffordable for most and also provides diversification opportunities both in terms of asset class as well as geographical and currency diversification. Just what a smart portfolio needs in today's world.

Stay safe & happy investing.

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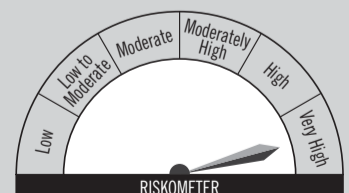
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Riskometer

This product is suitable for investors who are seeking*:

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

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



Investors understand that their principal will be at very high risk

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