

CASE STUDY

Supporting PGIM Real Estate with fund administration for its Asia-focused open-ended Core Fund

Vistra supported PGIM Real Estate with the launch of its Luxembourg-domiciled Asia-focused open-ended Core Fund in 2017. The fund has grown significantly and currently invests through Singapore into five developed Asian markets. Vistra's services cover the full scope of administration, accounting, corporate secretarial, treasury, investor services and regulatory compliance.

The challenge

In 2017, PGIM Real Estate decided it wanted to take advantage of opportunities in Asia-Pacific by launching a fund investing in commercial and residential properties in the region.

Intending to target global investors, especially those in Europe, it knew that domiciling in Luxembourg would allow for marketing in accordance with the Alternative Investment Fund Managers Directive (AIFMD).

Planning to expand across Asia-Pacific, PGIM Real Estate recognised it would also have to comply with specific local regulations and practices in its expected markets of Singapore, Japan, Australia, South Korea, and Hong Kong.

What's more, PGIM Real Estate is owned by PFI so it has to comply with its very stringent internal controls.

Considering the complexities involved – including potential issues around managing processes due to time zone differences – it decided the best option was to outsource a large proportion of the required fund operations work to a reputable and trusted service provider.

Vistra's solution

Vistra supported PGIM Real Estate with the launch of the Reserved Alternative Investment Fund (RAIF) in Luxembourg, and with the licensing of a Singapore holding company, acting as transfer agent and providing regulatory compliance. Subsequently, Vistra set up intermediate companies and trusts in Singapore and Australia.

This created the necessary foundation for future growth, with the fund expanding its portfolio to key cities in its five target markets in Asia.

In the intervening years, new investors have been admitted to the fund following successful onboarding by Vistra in accordance with Luxembourg KYC requirements. The fund structure has evolved to include parallel funds and co-investment ventures as PGIM Real Estate accessed new sources of capital. Vistra's services now cover the full scope of accounting and administration for all funds and investment structures.

Critically, Vistra's Singapore team acts as the primary contact with PGIM Real Estate's Asia operations team in Singapore, while closely coordinating with colleagues in the other locations. This delivers a seamless, local service with the convenience of being in the same time zone.



PGIM Real Estate is the global real estate investment management business of Prudential Financial, Inc. ("PFI")¹, a New York Stock Exchange listed Fortune 500 company. PGIM Real Estate was established in 1970 and employs over 1,000 investment professionals in 32 cities around the world. Its assets under management and administration total over \$200 billion.

Industry
Real Estate

Location
Global (headquartered in the US), Asia regional hub in Singapore



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Benefits

- The fund's Luxembourg domicile enables PGIM Real Estate to access target investors across Europe and globally.
- Peace of mind to overcome the complexity of investing in Real Estate in Asia and that the fund complies with relevant laws and regulation.
- PGIM Real Estate has been able to operate with a relatively lean structure, despite the complexity of managing across multiple jurisdictions, by relying on Vistra's support in Europe and Asia.
- Ability to focus on profitably investing and managing investors' capital, managing investor relations and growing the fund.

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Core markets across Asia-Pacific

4

Key property types (office, industrial, residential, and retail)

Circa US\$1bn

Assets under management

Vistra has been a great support to us in this journey and delivered on every level throughout the fund launch process. As the fund has grown and expanded into new locations, and our requirements have evolved, the client lead at Vistra Singapore has ensured close coordination and a prompt response when needed. Given the complex structure and dynamic needs of the fund, this responsiveness is very much valued by PGIM Real Estate.

Joern Schmelzer
Head of Fund Operations, Asia Pacific
PGIM Real Estate

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