

## M&G INVESTMENTS ACQUIRES FIRST SWEDISH ASSET FOR EUROPEAN LONG LEASE STRATEGY

- *The M&G European Secured Property Income fund completes nine transactions across seven countries as it reaches €350 million*

**London, xx March 2018** – M&G Investments (“M&G”) has acquired a care and assisted living home in Visby, Sweden in a €15 million deal. The newly developed home has been acquired from Magnolia, a listed Swedish property company, which specialises in developing care homes, hotels and student accommodation across Sweden. A 25-year lease has been agreed with the Municipality of Gotland, that will provide M&G’s investors with long-term income growing in line with inflation.

It is the latest transaction on behalf of the €350 million M&G European Secured Property Income Fund. Launched two years ago, the Fund offers pension funds, insurers and other institutional investors income growing in line with inflation through investment into real estate leased to tenants over the long term. During this time, the Fund has completed nine transactions in seven countries across a combination of traditional and alternative sectors, including retail, hotels, offices, residential, leisure and now healthcare. The fund has invested a third of its capital in Germany, has contracted lease terms ranging from 14 years to in excess of 100 years and a gross portfolio yield of 4.9% as at 31 January 2018.

**Ben Jones, fund manager, M&G Investments**, says: “Many of our pension fund and insurance clients continue to seek long-term exposure to real estate but through de-risked income driven strategies. Not only do long-lease assets provide this, they also generate income that increases in line with inflation. This transaction in Sweden is a good example of providing our clients with these investment characteristics and enables the Municipality to provide high quality accommodation and facilities to benefit the community.”

**Peter Riley, deputy fund manager, M&G Real Estate**, says: “This is our first acquisition in Sweden on behalf of the Fund. With a competitive and diversified economy and a stable economic outlook, the country is one of our primary targets. With additional capital to deploy we continue to seek high quality long lease transactions across a broad range of countries and sectors within continental Europe.”

Since its launch, the Fund has completed 9 transactions across 38 assets in 7 counties, including:

- **Germany:** €43.1 million deal with Motel One located in a prominent location in Berlin
- Freehold interests with over 100-year leases in **Germany** – a hotel in Munich let to NH Hotels and residential units in Halle, East Germany
- Sonae supermarkets: five Portuguese supermarkets, leased to Sonae MC, the market leading food retailer in **Portugal**

**-ENDS-**

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#### **About M&G European Secured Property Income Fund**

- M&G combines fixed income/credit and property expertise to analyse tenant quality (income component of the fund) and underlying value of the real estate (capital).
- Portfolio comprises 38 properties with a total value of €350 million as at 31 Jan 2018 with total investor commitments of €480 million since inception
- The Fund invests in traditional and alternative sectors with long term leases (weighted average maturity of 39 years) with 100% of the income linked to inflation

#### **About M&G Investments**

M&G is a leading international asset manager with a long-term, active approach to investing. The firm has been helping people to prosper by putting their money to work for more than 85 years. M&G's customers include private investors, members of pension schemes and life insurance policyholders. Responding to the ever changing financial landscape, the firm has developed a wide range of investment solutions, across equities, fixed income, real estate, multi asset and infrastructure. At 30 June 2017 M&G manages over £281 billion in assets for its customers.

Headquartered in London, M&G employs over 2,000 people worldwide in 16 countries, managing assets in Europe, Asia and the US. M&G is the asset management arm of Prudential Plc in the UK and Europe.

As a steward of clients' assets M&G recognises the importance of responsible investing with the analysis of environmental, social and governance (ESG) factors core to the business. M&G is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Program, which is dedicated to achieving the long-term goal of

building climate resilient economies. M&G's £27 billion real estate business arm has a sector leading approach to responsible property management, and is committed to assessing and improving the sustainability performance of its funds.

### **About M&G Real Estate**

M&G Real Estate is the real estate fund management arm of M&G and is a leading global real estate investor with over £29.5 billion (including cash) invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 31 December 2017). M&G Real Estate has a sector leading approach to responsible property management, and is committed to assessing and improving the sustainability performance of funds under management.

M&G is the investment arm of Prudential Plc in the UK, Europe and Asia. For more information please visit [www.mandg.com/realestate](http://www.mandg.com/realestate)

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