

M&G launches European Living Property Fund with €578 million of investor commitments

- *Provides investors with index-linked rental income and house price exposure*
- *Launches with €75 million maiden investment in Finland*

London/Amsterdam/Paris/Milan/Frankfurt, 10 January 2023 – M&G Real Estate has expanded its residential capability and European property fund range with the launch of the **M&G European Living Property Fund** (The Fund), building on its market-leading £1.3 billion/€1.5 billion UK Living strategy*. It aims to provide institutional investors with attractive risk adjusted returns through investment into Europe’s residential sectors – student housing, single and multifamily housing and retirement living.

Increasing the availability of low carbon and energy efficient housing across Europe forms a key tenet of M&G Real Estate’s net zero pathways and as one of the founding signatories of the Better Buildings Partnership Climate Change Commitment, has committed to achieving net zero carbon across its global portfolio by 2050.

The Fund has launched with €400 million of investment from long standing client, **MN** - one of the largest pension administrators and asset managers of Dutch pension funds - which is diversifying and internationalising its residential exposure - and €178 million from an M&G internal client fund which is upweighting to alternatives in Europe.

Head of European Residential, Marcus Eilers, will lead expansion into the European Living sector from M&G’s Frankfurt office as part of M&G’s wider residential platform led by Alex Greaves, Head of UK and European Living. Marcus will work alongside M&G’s highly experienced European team to secure opportunities with selected developers and property owners sharing M&G’s vision to provide high quality, sustainable homes that support wellbeing, sustainability and community.

The Fund has already made a €75 million maiden investment in Finland – a landmark Art Nouveau building home to 124 premium serviced apartments in central Helsinki, which will form the new heart of the Katajanokka district – 5 minutes’ walk from the central business district. A mix of retail outlets at ground level is a direct result of a survey carried out with local residents and includes restaurants, grocery stores and health and beauty outlets. Recently refurbished to a high standard, it has achieved the highest LEED Platinum score in its class in Europe and the second highest in the world in the same category.**

“This is a natural progression of our successful UK Living strategy,” says **Alex Greaves**. “We look forward to combining our capability with Marcus’s broad Living Sector expertise and background in large scale

residential operating platforms. We are very happy to have partnered with MN and to have secured their trust and commitment as a long term investor.”

Commenting on MN’s investment in the M&G European Living Property Fund, Joep Barten, Portfolio Manager, Real Estate, adds: “By increasing exposure to residential real estate in Europe, we aim to secure long-term returns for our clients PMT and PME. The focus on sustainability and the fund manager’s long track record played an important part in placing this newly committed capital.”

Marcus Eilers says: “With clear supply/demand imbalances across Europe’s residential spectrum, we have a vast landscape of opportunity and a chance to combine a resilient – and mostly inflation-linked asset class – with geographical diversification. We are looking to acquire highly ESG-accredited assets in locations with strong underlying demographics to deliver compelling returns for our clients.”

M&G Real Estate is part of M&G plc’s £76.7 billion*** Private & Alternative Assets business with European offices in Amsterdam, Frankfurt, Luxembourg, Madrid, Milan, Paris and Stockholm.

-ENDS-

If you require any further information, please contact:

Rebecca Grundy
M&G plc Corporate Affairs
Tel: 07827 820428
Rebecca.grundy@mandg.com

Notes to Editors

*As of 30 September 2022

**89 LEED points entitling the building to the LEED Platinum certificate – LEED version 4 Building Design & Construction, New Construction category

*** As of 30 June 2022

About Helsinki asset

- 124 premium serviced apartments in a central location with outstanding connectivity – tram stop at main entrance to Helsinki’s main central station serving all parts of Helsinki
- Majority of Helsinki’s top tier business consulting offices, law firms and banks are within walking distance
- Premium furnishing and integrated compliances
- Large concentration of solar panels covering circa 17% of the property’s electricity consumption and powerful cooling/heat recovery system which captures and re-uses waste heat and improves efficiencies
- Concierge service, roof top winter garden, sauna, terrace and underground parking
- Wine shop, mix of restaurants, health and beauty outlets and grocery store at ground level
- One shared Tesla car for residents
- 38 parking spaces and 6 electric vehicle charging points

About M&G Investments

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc’s UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has £348.9 billion of assets under management (as at 30 June 2022). M&G plc has over 5 million customers in

the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

For more information, please visit: <https://global.mandg.com/>

This press release reflects the authors' present opinions reflecting current market conditions; are subject to change without notice; and involve a number of assumptions which may not prove valid. It has been written for informational purposes only and should not be considered as investment advice or as a recommendation of any particular security, strategy or investment product. Past performance is not a guide to future performance.

The services and products herein are available only to investment professionals and are not available to individual investors, who should not rely on this communication. Information given in this document has been obtained from, or based upon, sources believed by us to be reliable and accurate although M&G does not accept liability for the accuracy of the contents.

This financial promotion is issued by M&G Investment Management Limited (unless stated otherwise), registered in England and Wales under number 936683, registered office 10 Fenchurch Avenue, London EC3M 5AG. M&G Investment Management Limited is authorised and regulated by the Financial Conduct Authority. For the purposes of AIFMD, M&G Luxembourg S.A acts as Alternative Investment Fund Manager of any fund(s) cited in this document. The registered office of M&G Luxembourg S.A is 16, Boulevard Royal, L-2449, Luxembourg. M&G Real Estate Limited is registered in England and Wales under number 3852763 and is not authorised or regulated by the Financial Conduct Authority. M&G Real Estate Limited forms part of the M&G Group of companies.