

## **M&G REAL ESTATE MAKES FIRST RETAIL ACQUISITION IN SOUTH KOREA**

- *Single largest acquisition worth US\$230 million diversifies Asia property strategy*
- *Builds on M&G Real Estate's successful track record of investing in South Korea*

**LONDON/SINGAPORE, 11 August 2015** – M&G Real Estate, the real estate fund management arm of M&G Investments, has acquired three retail assets in South Korea at a combined value of US\$230 million, representing an average yield of 6.5%. The acquisition was made on behalf of its core Asia real estate strategy, managed by Singapore-based Erle Spratt.


Under the terms of the deal, M&G Real Estate has acquired two hypermarkets: the first in Daejeon, South Korea's fifth largest city; the second in Jeju, the capital of the Jeju Province and the nation's premier tourist destination. The third asset is an outlet mall in Incheon City, the country's third largest city after Seoul and Busan. All three assets are highly sought after retail outlets in prime locations and are leased to South Korea's largest retailer, Lotte Shopping.

Hyesik Ryu, Managing Director, M&G Real Estate Korea, comments: "We were one of the first non-domestic institutional investors to invest in South Korea when we bought into the country's commercial office sector in 2004. M&G Real Estate has developed a deep understanding of the market, enabling us to make this latest investment in the retail sector, which will strengthen the strategy's long term income stream."

Erle Spratt adds: "South Korea is a key market for us and we are building on our successful 10-year track record of delivering investment performance in Asia. We're seeing strong capital flows, particularly from global pension funds and insurance companies in the UK and Europe. With responsibility for more than US\$2 billion in assets, we are well positioned to pursue property investments across the region to further improve our risk adjusted returns and sustain the outperformance of our portfolio."

Stefan Cornelissen, M&G's head of institutional business, Benelux, Nordics and Switzerland, says: "The Asia Pacific real estate market is now the second largest in the world and rivals the US and Europe in terms of its maturity, transparency and liquidity. European investors in search of diversification can now benefit from Asia's strong economic growth and attractive long term returns without going higher up the risk curve."

"We have recently had a significant commitment from Dutch investor, Blue Sky Group, which has invested on behalf of its recently launched Core Asia Pacific Fund. We expect further capital to follow from other UK and European investors. Asian real estate has come of age and is earning itself a strategic place in a diversified core real estate portfolio."

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**Notes to Editors:**

**About M&G Real Estate**

M&G Real Estate is the real estate fund management arm of M&G and is one of the top 25 real estate fund managers in the world by assets under management, with over £21.2 billion (USD33.1 billion) invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 31 March 2015). M&G Real Estate has a sector-leading approach to responsible property investment, 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)

**About M&G Real Estate - Asia**

M&G Real Estate has offices in Singapore, Seoul and Tokyo dedicated to real estate in the Asia Pacific region. M&G Real Estate in Singapore is a subsidiary of London-based M&G Real Estate. As at 31 March 2015, the Singapore office is responsible for US\$2.1 billion in assets.

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