

## M&G Real Estate acquires majority stake in leading value-add real estate fund manager, BauMont

- *Deal diversifies M&G's capabilities in the European real estate markets to provide investment opportunities throughout the property cycle*
- *BauMont's second fund closes with more than €450 million raised, including investment from M&G's With-Profits Fund*

**London, 4 November 2024** - M&G Real Estate today announces it has acquired a 65% stake in BauMont Real Estate Capital Limited (BauMont) – a leading European real estate fund manager specialising in value-add investment strategies in Western Europe.

Established in 2017, BauMont's 18-strong team is led out of Paris and London with €1.5 billion of assets under management<sup>1</sup> and a management team with an investment track record of more than 20 years in European value-add real estate.

The acquisition is part of M&G's strategy to selectively add investment capabilities in areas where active management has the potential to deliver alpha to clients over medium to long-term investment horizons.

BauMont will join forces with M&G's £40 billion<sup>2</sup> global real estate business, enabling M&G to expand its client proposition beyond its established core commercial, residential and debt strategies – and the ability to invest throughout the full property cycle, unlocking potential returns through active management. In turn, BauMont will benefit from M&G's significant pan-European real estate platform, alongside its global distribution capabilities that have been expanded in recent times to meet the growing needs of institutional investors in Europe and Asia.

Separately, M&G's With-Profits Fund – which invests and manages the long-term savings on behalf of 4.6 million UK policyholders – is investing €200 million in BauMont's latest fund and is seeking to secure higher returning opportunities in European value-add property in the UK and France for its wider £13 billion real estate allocation.

Investor intention surveys have shown that European and Asian investors see the market potential of value-add real estate strategies, especially at this point in the cycle. As urbanisation and economic growth continue to drive demand for high-quality real estate, value-add is poised to play a crucial role in the real estate allocations of global institutional investors.

**Tony Brown, Global Head of M&G Real Estate, said:** "This new partnership is an opportunity to broaden the real estate strategies we offer at a time when the asset class is back in focus for global institutional clients who are considering increasing their allocations at this stage in the cycle.

“Throughout our extensive history of real estate investing, we have continued to strive for excellence and can now provide clients with a compelling proposition throughout the real estate cycle - and across the capital stack. We look forward to a long and successful partnership with BauMont.”

**Robert Balick, Managing Partner at BauMont, added:** “European real estate markets are adjusting to the higher rate environment and are entering a new cycle of growth where demand is focused on a limited supply of high-quality assets. Value-add strategies can take advantage of re-set entry pricing, whilst actively repositioning assets to meet the needs of modern occupiers.

“We are delighted that M&G is becoming a majority shareholder in our business and we look forward to unlocking the significant growth opportunities that this strategic partnership will create to deliver enhanced value to our investors.”

M&G’s £73 billion<sup>2</sup> Private Markets business comprises six core centres of excellence. This includes real estate, of which M&G Real Estate is the 11th largest real estate manager globally of those headquartered outside of the US, with nine offices in Europe and four in Asia Pacific. With more than £40 billion in assets under management covering both real estate equity and debt strategies, M&G Real Estate’s platform provides global market insight and the ability to deliver a variety of compelling strategies to clients.

M&G Real Estate was advised by CBRE Investment Banking.

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**Notes to Editors**

<sup>1</sup>BauMont as of 30 October 2024

<sup>2</sup>M&G as of 30 June 2024

**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 £346.1 billion of assets under management (as at 30 June 2024). M&G plc has 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/>

**About BauMont**

BauMont is an independent real estate private equity investment firm formed in 2017 and led by Robert Balick and Frédéric Laurent, who together have over 50 years of industry experience across asset sectors and European markets. Baumont's partners have successfully managed investments through several cycles including times of great volatility and capital vacuums.

BauMont's investment strategy covers Western Europe with a focus on France and the UK. BauMont seeks to generate superior returns by acquiring real estate assets where value can be created through intensive asset management and unlocking arbitrage opportunities.

With offices in London and Paris, BauMont's experienced investment team has an extensive network of relationships, providing access to a wide range of investment opportunities in the office, retail, industrial and residential real estate sectors. For more information, please visit <https://www.baumontrealestate.com/>

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