

M&G Real Estate bolsters Asia Pacific Living strategy with the appointment of David Askham and gains \$250 million mandate from insurance business

- *\$68 million acquisition of a prime residential portfolio in Japan*

Singapore / Hong Kong / Japan / London, 10 October 2024 – M&G has cemented its ambitions in Asia Pacific Living, building on its established UK and European residential capabilities, with the appointment of David Askham to lead its expansion in the sector alongside a \$250 million commitment from M&G’s Life business. In addition, M&G has furthered its exposure to the sector through the acquisition of a \$68 million¹ prime residential portfolio in Osaka, Japan, bringing the firm’s total exposure to the global residential sector to circa \$7 billion.

With over 20 years of experience at M&G, David Askham has been appointed Director of Portfolio Management, Asia Living. David will assume responsibility for spearheading the growth and strategic direction of the firm’s investments in the Asia Pacific Living sector. M&G’s Life business has committed to deploy \$250 million into the sector as it seeks to expand its portfolio both internationally and into alternative sectors such as residential, bringing its total exposure to Asian real estate to \$2.5 billion.

As the real estate cycle enters its recovery phase, investors are increasingly looking to Asia Pacific’s residential markets for resilient, high-growth assets. Opportunities to capitalise on low volatility and value appreciation are growing as these markets mature, especially in Japan, where urbanisation and migration to key cities fuel demand. The latest acquisition of a portfolio of 378 residential units across three 15-storey buildings reflects Japan’s strong demand dynamics and stable economic environment, which offer institutional investors attractive, long-term return potential.

M&G Real Estate Asia has been actively investing in the residential sector across the region for over a decade, with recent acquisitions in Japan’s gateway cities of Tokyo, Osaka and Nagoya, and the investment of over A\$450 million in three Build-to-Rent projects currently underway in Sydney and Melbourne.

M&G Real Estate Asia’s broader \$8.7 billion portfolio invests in fundamentally well located assets in the mature markets of Australia, Hong Kong, Japan, Singapore and South Korea, which are underpinned by structural and demographic trends. M&G’s objective is to grow its diversified portfolio of high quality, sustainable properties in the key logistics and residential sectors and premium grade offices in gateway cities.

Martin Towns, Deputy Global Head of M&G Real Estate, said: “We see significant growth potential in private markets and real estate is central to our ambitions in this area. With our strong foundations investing across many sectors, we are well positioned to work with our institutional clients to further internationalise their investment portfolios as they seek greater diversification in real estate. Expanding into Asia Pacific Living is a natural progression, leveraging our established \$1.2 billion exposure to residential assets in Asia. This expansion builds upon the proven success of our residential investments across the UK and Europe, while harnessing the expertise of our Living team to seek continued growth across regions.

“As we enter the next real estate cycle, sectors once considered to be 'alternative' are now viewed as mainstream by many institutional investors. We expect the Living sector to be the main beneficiary as investors move to take advantage of today’s attractive entry point.”

¹ The acquisition has been completed for JP¥9.9 billion; exchange rate: 1 JP¥ = 0.00685305 USD = 1 USD = 145.972 JPY4

Jing Dong (JD) Lai, Chief Executive and Chief Investment Officer of M&G Real Estate Asia, said: “David’s successful track record in portfolio management and analysing market dynamics, provides the business with a strong leader who will enable us to capitalise on the untapped potential in Asia Living sector on behalf of our global investor base.

“Our acquisition of prime multi-family assets in Osaka reinforces our long-term belief in Japan’s residential sector. This investment is a direct reflection of our conviction in the Living sector and our vision of building a diversified, high-quality residential portfolio in Asia to complement our existing capabilities.”

Ciaran Mulligan, Chief Investment Officer of M&G’s life business, said: “Within our £126 billion portfolio we are actively seeking to increase our diversification across asset classes, geographically and in sub-sectors where we see the opportunity to generate enhanced returns over the long-term. Through our collaboration with M&G Real Estate, we are investing in more Asian real estate and, specifically, in the residential sector as institutional investors increasingly play a role in providing high quality living accommodation in gateway cities across the UK, Europe and Asia.”

M&G Real Estate is part of M&G’s US\$93.6 billion private market business.²

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Notes to Editors

Bio of David Askham, Director of Portfolio Management, Asia Living



David Askham joined M&G Real Estate in London in 2001; and later relocated to the Singapore office in 2006. With some 25 years of experience in the property industry, he has a comprehensive background in acquisitions, transactions, funds, and investment management across major property sectors.

With his international experience, David is well positioned to navigate diverse markets and drive effective investment strategies. Having spent more than 20 years at M&G, he will now spearhead the growth and strategic direction of the firm’s investments in the Asia Pacific Living sector.

Before joining M&G Real Estate, David served as an Investment Manager at St Martins Property Corporation Limited. He graduated in Land Management from De Montfort University in the United Kingdom and is a member of the Royal Institution of Chartered Surveyors.

About the Osaka residential portfolio

- Situated on the edge of the core Namba station district, the three 15-storey buildings - Serenite Namba Grande Nord, Serenite Namba Grande Sud and Serenite Franc Namba - are within a two-minute walking distance from JR Namba Station and other transportation nodes, granting residents seamless connections to the wider transportation network and convenient access to neighbourhood amenities. The acquired portfolio comprises 378 residential units, with diverse layouts and a balanced rentable area composition, positioning it to attract to a broad tenant base while minimising vacancy volatility.
- The properties are also targeting CASBEE certifications³ upon stabilisation. The properties incorporate eco-friendly features such as LED lighting in common areas, automated energy tracking sensors, and water-saving toilets. Additionally, the buildings have high platforms that provide sufficient protection against physical climate hazards like flood waters and coastal inundation.
- The upcoming Naniwasuji Line, due to open in 2031, will further enhance Osaka’s north-south urban connectivity.

View on Japan and Japanese residential sector

- Osaka, Japan’s second-largest economy after Tokyo, has demonstrated significant economic dynamism and potential. The city’s population has seen a notable recovery post COVID, growing by 0.3% in 2022 and 0.6% in 2023⁴.

² As at 30 June 2024

³ CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is the green building certification program used in Japan. It was created by a research committee called the Japan Sustainable Building Consortium (JSBC) in 2002.

⁴ Source: Statistics Japan, as at August 2024

This has been led primarily by the 20-29 age demographic – a group with a higher propensity to rent – which is fuelling robust demand in the multifamily market.

- In the first half of 2024, average multifamily rents in Tokyo and Osaka grew at 5.7% and 3.4% year on year respectively, significantly outpacing the 10-year average of around 2%. Healthy inflation and sustainable wage growth are expected to boost investment, innovation, and consumption, increasing real estate demand and rental prospects.
- The upcoming Expo 2025⁵ and Japan's first integrated resort⁶, scheduled for 2030, are expected to significantly boost Osaka's appeal as an attractive work and residential destination, further strengthening the multi-family demand in the city.

About M&G Investments and M&G Real Estate

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 US\$437.5 billion of assets under management (as at 30 June 2024). M&G plc has around 4.6 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.

M&G Real Estate is a leading financial solutions provider for global real estate investors. As part of M&G Investments' private markets business, M&G Real Estate has a sector leading approach to responsible property management and is committed to continuously improving the sustainability performance of its funds. Globally M&G Real Estate manages more than US\$42.3 billion (as at 30 June 2024) of assets on behalf of clients, providing a range of strategies and solutions.

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⁵ According to Japan National Tourism Organisation, the upcoming Expo 2025 Osaka is projected to attract about 28 million visitors.

⁶ Japan's first integrated resort is expected to generate over JP¥500 billion (US\$3.4 billion) in revenue annually and create more than 100,000 jobs according to Nikkei Asia, as at April 2024.

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