

M&G's £73 billion private markets business receives regulatory approval for its first Long-Term Asset Fund

London, 10 March 2025 – M&G Investments today announces it has received regulatory approval for a Long-Term Asset Fund (LTAF), making a flagship diversified private credit strategy available to UK Defined Contribution (DC) pension schemes for the first time. The approval is a significant step in M&G's ambition to grow its £73 billion market-leading private markets business by widening access to its strategies that have the potential to enhance long term returns and improve investment outcomes.

Targeting the UK's rapidly growing DC market, which is forecast to grow from £579 billion to £1.39 trillion by 2033¹, the first fund within this LTAF umbrella structure is the **M&G Diversified Private Credit Feeder LTAF²** – which provides access to a diversified portfolio of private credit, structured credit and asset backed debt delivering attractive income in an evergreen format, allowing it to operate indefinitely. M&G has decades of experience investing in fixed income across both public and private markets, with investment teams working alongside specialist in-house analysts and structuring experts.

LTAFs enable certain UK investors, who were previously unable to access traditional private market fund structures, to invest in illiquid assets like private equity, credit, infrastructure and real estate. Compared to the public markets, such assets have the potential to generate higher returns and enhance portfolio diversification, whilst playing a crucial role in unlocking productive finance and supporting economic development. M&G launched its first European Long-Term Investment Fund in 2023 - a €850 million³ strategy targeting the best opportunities available in corporate private credit for investors which is managed by the same team.

Emmanuel Deblanc, Chief Investment Officer of Private Markets at M&G Investments, said: "M&G is committed to the UK's DC market where investment innovation and access to private markets strategies is an important area of focus. We are playing our part in this using the force of our long established private markets business and our experience of managing diversified private credit for UK pensions since 2012.

"This approval sets the stage for future growth of our private markets solutions for our DC pensions clients enabling them to efficiently and flexibly integrate private markets solutions to deliver resilient returns, improve diversification and ultimately, deliver better member outcomes."

M&G's Private Markets business spans decades of experience in investing in private credit, structured credit, impact and private equity, infrastructure and real estate.

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Notes to editors:

¹ Broadridge as of end 2023

² The Fund will invest at least 90% of its assets into M&G Diversified Private Credit Fund, a Sub-fund of Luxembourg Specialist Investment Funds (4), a Luxembourg domiciled Reserved Alternative Investment Fund

³ M&G as of end of February 2024

***About the M&G Diversified Private Credit Fund**

The M&G Diversified Private Credit Fund aims to deliver attractive risk-adjusted returns, with performance driven by its ability to identify and capitalise on private credit opportunities that offer favourable yields and strong credit fundamentals. By diversifying across various private credit assets, the fund seeks to achieve a balanced portfolio with a steady income stream and potential for capital appreciation.

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 €387.8bn billion of assets under management (as at 30 June 2023). 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: www.mandg.com

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