



PruFund – Past, Present & Future Celebrating 20 years & more

Monday 25 November



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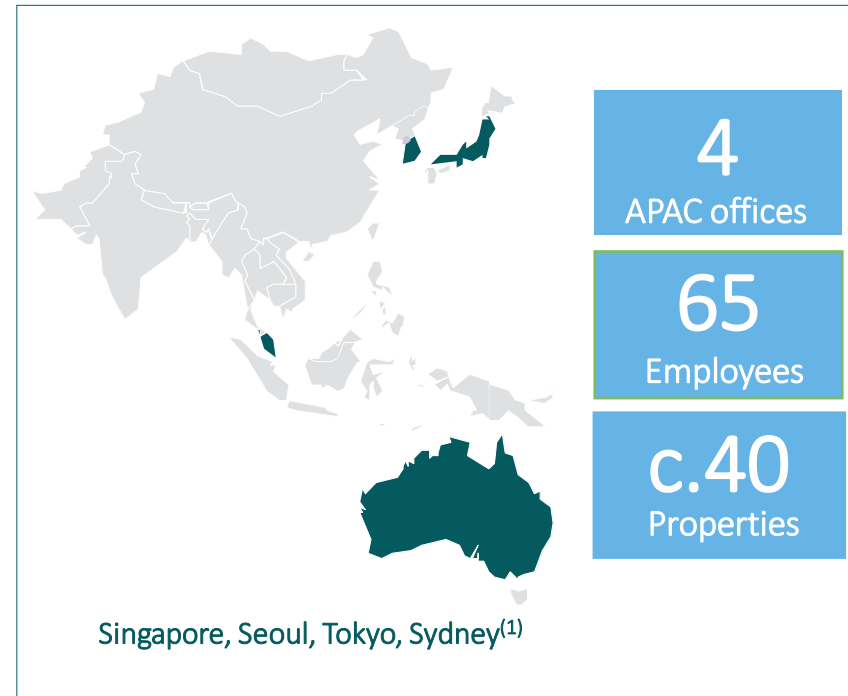
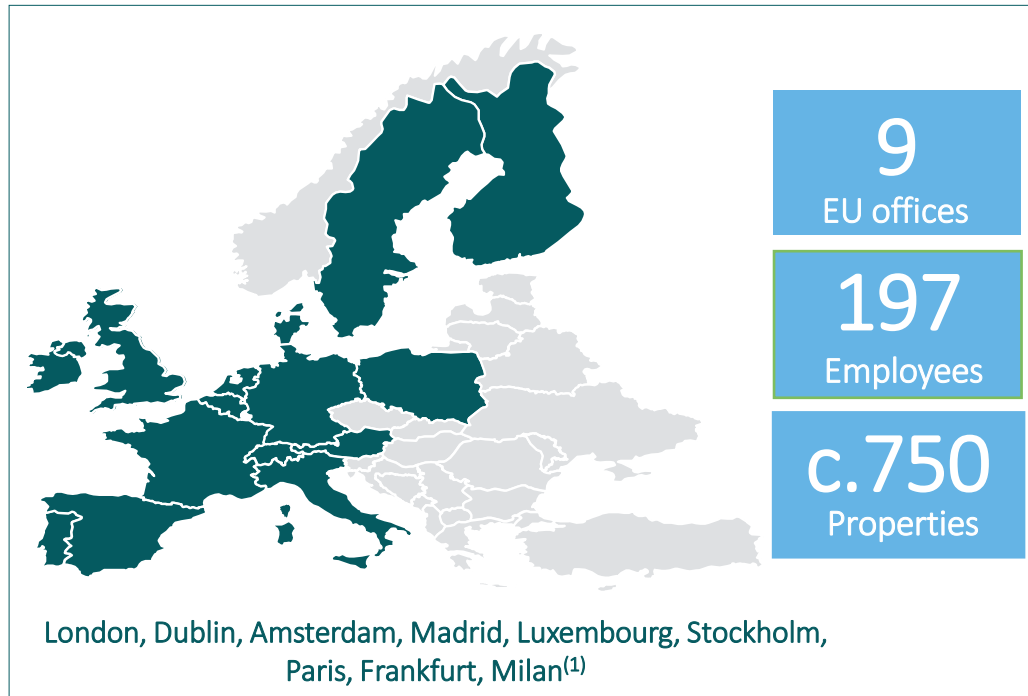
Session 3:

Where PruFund invests – asset
manager views across markets

Ben Hamilton, Carl Vine, Martin Towns, Mike Cirami &
Richard Halle

M&G Real Estate - a leading real estate platform

Genuine, meaningful local expertise across UK and international markets



>150

year track record in real estate investment

>262

real estate team members globally

c.150

property investment professionals

>800

assets managed globally across >20 countries

>US\$45_{bn}

of AUM in RE debt & equity

>US\$15_{bn}

invested in RE debt since 2008

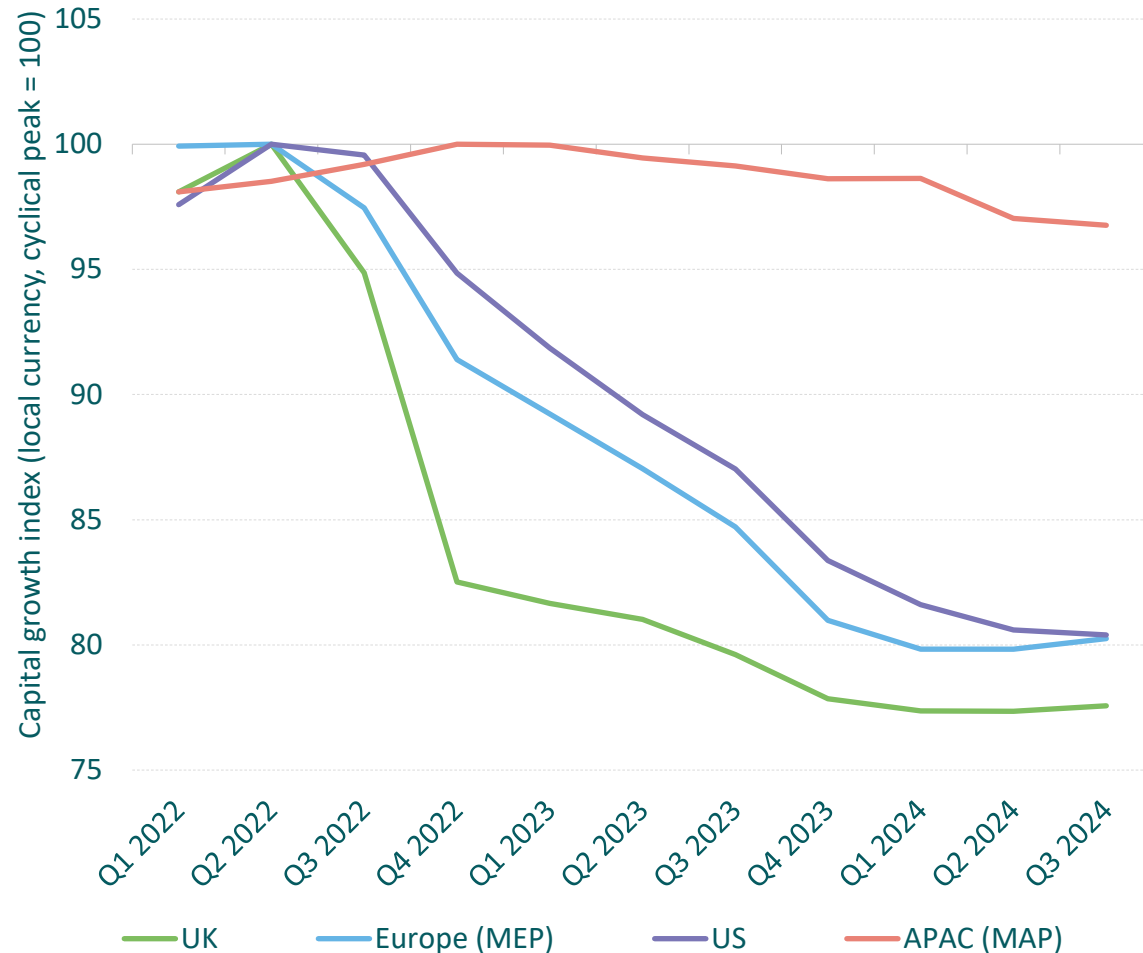
Source: M&G Real Estate, all data as at 30 June 2024 / Headcount data as at 31 August 2024. Note: Total AUM i.e. c.\$45bn includes cash and AUM in real estate debt.

¹ M&G office locations. ² Source: ANREV/INREV/NCREIF Fund Manager Survey 2024. <https://www.inrev.org/research/fund-manager-survey>

Things starting to look up for real estate markets

Stabilisation and potential for growth

Real estate values in UK & Europe already rising again



- Rental fundamentals generally strong or resilient
- Falling interest rates supportive for RE pricing
- Investor sentiment improving and capital starting to return – which helps strengthen real estate pricing
- UK offering attractive value, globally
- Possibility of K-shaped recovery
 - In-favour ‘structural tailwind’ sectors (e.g. living, logistics) and high-quality assets to perform well

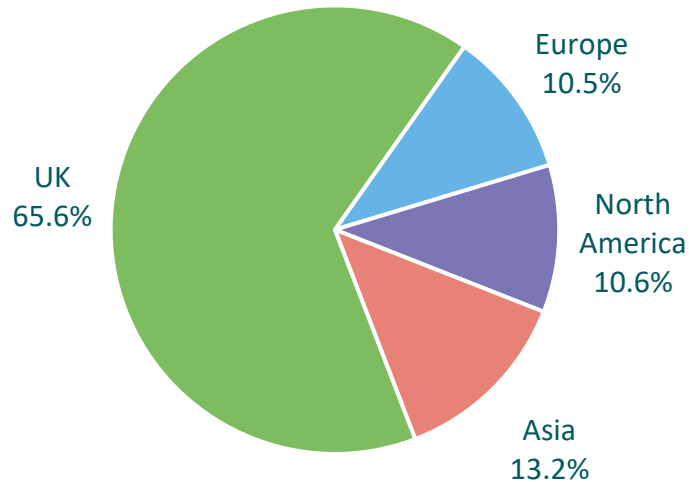
Accessing growth opportunities, across the globe

Diversification, by geography, sector and return profile

International diversification

- Taking advantage of opportunities globally

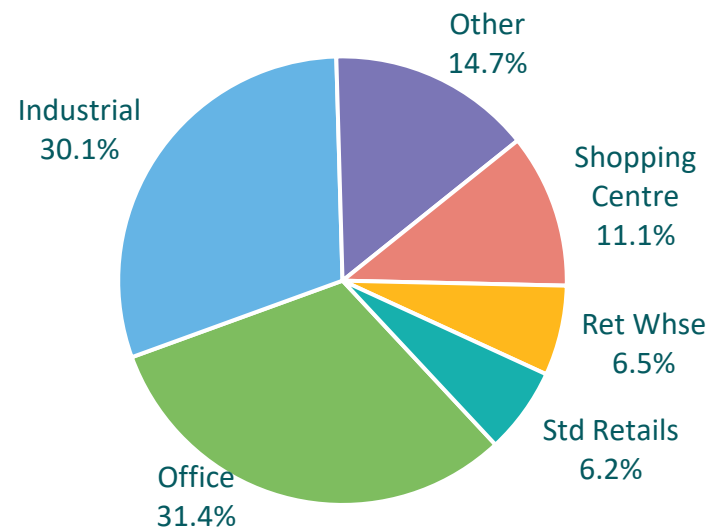
AUM – 31st Oct 2024



Increase Living and Alternatives

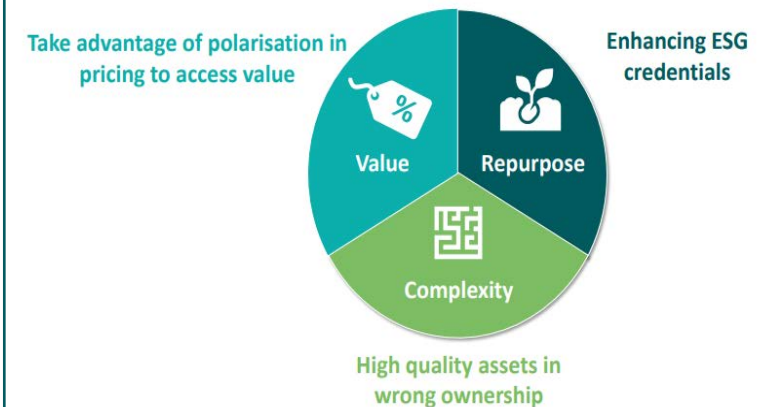
- 2.5x increase in Living Sectors over past 3 years
- Investment in Data Centers in a focussed conviction led strategy

AUM – 31st Oct 2024



Value-Added strategies

- Allocation to diverse range of Value Add strategies in 2023/24 (Nth Am logistics, UK Multi Let Industrial, European V+)
- Target returns for Value Add investment strategies in the range of 12-19% IRR over a 5-7yr horizon.



40 Leadenhall – setting a new standard for offices

Strong occupier demand driving performance of the Fund's largest asset

Snapshot

- 900,000 sq ft office and retail development comprising two towers (34 and 14 stories) located in the heart of the City of London 'Tower Cluster'
- Additional building amenities incorporated to attract world leading occupiers in a post Covid market
- Market leading Sustainability and Wellness Credentials
- Occupancy + Space Under Offer = 87.1%

2024 performance impact

- +£200m positive capital appreciation for 2024
- Outperformance since inception, compared to UK offices as a whole

1yr performance

Asset	+28.1%
Contribution to Fund performance	+253bps



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Past performance is not a reliable indicator of future performance. The rate of growth of funds and any income from them cannot be guaranteed. The value of an investment can go down as well as up and your client could get back less than they have put in. PruFund funds aim to grow your client's money while smoothing their investment journey.

The PruFund range of funds all invest in Prudential's With-Profits Fund, which is one of the largest with-profits funds in the UK. However, there are differences across the range of PruFund funds in their objectives and mix of assets, and how PruFund delivers returns to investors when compared to other With-Profits business, which means the returns received by investors will vary by fund choice.

Prudential set Expected Growth Rates (EGR); these are the annualised rates your client's investment would normally grow at. The EGRs reflect our view of how we think each PruFund fund will perform over the long-term (up to 15 years). Each PruFund fund has its own EGR and your client's investments into a PruFund will normally grow daily by the relevant EGR. Although we take a long-term view, we do review the rates every three months to allow for any changes, which may mean a change in EGR on a quarterly basis, up or down. While the EGR reflects our long term view, we need to check that the fund is performing as expected - if not we may need to make an adjustment to your client's fund value, either up or down. There are limits which set out when an adjustment would be required. The value of your client's investment in a PruFund fund is based on the Smoothed Price, this is the unit price, which grows daily by the EGR. We compare the Smoothed Price against the Unsmoothed Price – which reflects the value of underlying assets. If these move too far away from one another we need to adjust the Smoothed Price to narrow the gap. This could be a price increase or a price decrease. In certain circumstances we might need to suspend the smoothing process for one or more of the PruFund funds.

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