



M&G REAL ESTATE COMPLETES FIRST CLOSE OF CAPITAL RAISING FOR NEW VALUE ADD FUND

- *Strategy to invest in mispriced stock in the UK*
- *Draws on M&G Real Estate's expertise and access to UK real estate markets*

LONDON, 19 February 2018 - M&G Real Estate has completed an initial close of its first value add fund – the M&G UK Enhanced Value Fund (UKEV) with investor commitments totalling £125 million. Managed by Paul Crosbie, UKEV is a seven-year, close-ended fund aimed at institutional investors in the UK, Europe, Asia Pacific and Canada. Initial funding includes a significant commitment from an Asian investor and a total of £500 million is expected to be fully invested by 2021.

Investing in core, supply-constrained locations such as London, the South East and the big six UK office markets, UKEV will target mispriced assets valued at between £15-75 million, taking advantage of the risk aversion created by current political uncertainty. Value will be added by repositioning and redeveloping assets and by exercising change of use and lease enhancement methods.

Fund Manager Paul Crosbie, explains: “Despite the uncertainty surrounding the outcome of Brexit, the UK’s economic and market fundamentals remain robust. UK commercial real estate continues to benefit from significant macro trends such as e-commerce and urbanisation, which are driving tenant demand. Whilst the supply of quality space remains severely limited, we believe this creates an exciting window of opportunity to refurbish and reposition assets.

“We are excited by the commitment already shown by investors and look forward to drawing on our deep pool of knowledge and expertise within the UK to provide returns with the exciting pipeline that we have for this strategy.”

Alex Jeffrey, Chief Executive, M&G Real Estate, adds: “With our market-wide credentials and expertise, we are well positioned to capitalise on long term investment opportunities available across the UK. To exceed our target first close in such a short space of time is credit to the team.

“We remain committed to growing our range of real estate products and solutions to meet the needs of investors.”

- Ends -

For further information please contact:

Christina Gillings, Rob Foster or Charles Font (Redwood Consulting)

Tel: 020 7828 5553

Email: mandg@redwoodconsulting.co.uk

Notes to Editors:

About M&G Real Estate

M&G Real Estate is the real estate fund management arm of M&G and is a leading global real estate investor with over £30 billion (including cash) invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 30 September 2017). M&G Real Estate has a sector leading approach to responsible property management, 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

About M&G

M&G is a leading international asset manager with a long-term, active approach to investing. The firm has been helping people to prosper by putting their money to work for more than 85 years. M&G's customers include private investors, members of pension schemes and life insurance policyholders. Responding to the ever changing financial landscape, the firm has developed a wide range of investment solutions, across equities, fixed income, real estate, multi asset and infrastructure. At 30 September 2017 M&G manages over £285 billion in assets for its customers.

Headquartered in London, M&G employs over 2,000 people worldwide in 16 countries, managing assets in Europe, Asia and the US. M&G is the asset management arm of Prudential Plc in the UK and Europe.

As a steward of clients' assets M&G recognises the importance of responsible investing with the analysis of environmental, social and governance (ESG) factors core to the business. M&G is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Program, which is dedicated to achieving the long-term goal of building climate resilient economies. M&G's £30 billion real estate business arm has a sector leading approach to responsible property management, and is committed to assessing and improving the sustainability performance of its funds.

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