

M&G INVESTMENTS RAISES £1.35 BILLION FOR JUNIOR COMMERCIAL MORTGAGE FUNDS

- ***Lynn Gilbert joins to lead origination in the UK and Western Europe***

London, 11 March 2014 – M&G Investments has completed the fundraising for its two new junior commercial mortgage funds, reaching £1.35 billion of capital commitments from over 40 institutional investors from Europe and the US.

The two funds are:

- M&G Real Estate Debt Fund II – closing on £605m with capital aimed at European mezzanine real estate debt.
- M&G Real Estate Debt Fund III – a final closing of £750m (the “hard cap” for the fund), targeting the ‘stretch senior’ portion of the mortgage capital structure.

Both funds were significantly oversubscribed.

John Barakat, Head of Real Estate Finance, M&G Investments, says: “The response from pension funds and insurance companies to this new asset class is now extremely positive, and combined with the discretionary capital available to us for the senior mortgage strategy, gives us tremendous firepower to lend across the whole capital structure. Having the flexibility to lend on a senior-only, junior-only, or combined whole loan basis gives borrowers certainty that we can meet their entire financing need whatever their targeted leverage.”

M&G also announced that Lynn Gilbert has joined the Real Estate Finance team to lead origination activity. Ms Gilbert has over 30 years of real estate experience, and previously led commercial mortgage activity at Barclays Capital and Morgan Stanley. She most recently worked on the real estate debt funds at Renshaw Bay. “Lynn’s reputation and relationships in the market are exceptional and we are thrilled to have her join our team. She has made an immediate impact in expanding our reach in the borrower community,” Barakat added. The Real Estate Finance team at M&G now numbers approximately 20 professionals.

M&G was one of the first major institutions to identify the investment opportunity in real estate finance. The first closing on its initial real estate debt fund occurred in 2009. That fund is fully invested.

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If you require any further information, please contact:

Irene Chambers
Corporate Communications
M&G Press Office
Tel: 020 7004 4132
irene.chambers@mandg.co.uk

About M&G

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 30 September 2013 the firm manages over £242 billion of assets through a wide range of investment strategies across equities, bonds, property and multi asset.

Headquartered in London, M&G employs over 1,500 people worldwide operating from offices across Europe and Asia.

M&G's history is a story of investment firsts, from the UK's first mutual fund in 1931 to the Inflation Linked Corporate Bond Fund in 2010.