

M&G INVESTMENTS PROVIDES £25M OF DEVELOPMENT FINANCE FOR STUDENT ACCOMMODATION AT THE UNIVERSITY OF ST ANDREWS

- ***Deal enables construction of 324 bed student residence***
- ***M&G to receive 40-year inflation-linked income stream***

London, 3 September 2014 – M&G Investments (“M&G”), a leading international investment manager, is providing £25 million of finance for the development of a 324 bed student residence for the University of St Andrews (“St Andrews”). St Andrews is working in partnership with Campus Living Villages (“CLV”) which will manage the development and then operate the accommodation on completion.

M&G has acquired a long leasehold interest in the property. On completion of the development, the Fife Park residence will be leased to the St Andrews/CLV partnership for 40 years, with annual reviews linked to inflation. The rent is guaranteed by St Andrews and it has an option to acquire the residence on expiry of the 40-year lease.

This is the third time M&G and CLV have worked together, only last month agreeing to redevelop The Royal College of Music’s student residences in London. The capital is provided by M&G’s pension fund clients seeking secure cash flows over the long term linked to inflation. M&G Investments was advised by M&G Real Estate and Montagu Evans acted on its behalf.

Ben Jones, Director of Real Estate Income, M&G Investments, says: “This transaction enables the development of state-of-the-art accommodation at Scotland’s first university, renowned for its teaching and research. It demonstrates the willingness of institutional investors to invest in the growing student accommodation sector – the variety of transactions M&G has recently undertaken confirms this can be done using a wide range of structures. We are pleased to continue our relationship with CLV and we have significant capital to invest in comparable projects.”

Roger Smith, Director of Residential and Business Services at University of St Andrews, says: “We are dedicated to setting up our students for future success and we place great importance on the environment in which they live, as this has a massive impact on their University experience as a whole. For our new student accommodation, it was vital

for us to find partners to work with that have a reputation for excellence and consideration of all aspects of student life. As leading international providers we are confident that M&G Investments together with CLV can meet our expectations.”

Sean McKeown, Commercial Director at Campus Living Villages, adds: “We are delighted to have been awarded the contract with the University of St Andrews. We are pleased to work with M&G Investments again on another project following the recent Royal College of Music and Bournemouth University deals.”

About M&G’s Real Estate Income capabilities

- M&G’s Fixed Income and Real Estate businesses combine credit and property expertise to analyse tenant and cash flow quality (income component) and the underlying value of the real estate (capital)
- Invests in and develops a wide range of UK commercial real estate, such as supermarkets, hotels, offices, leisure and residential
- Manages the £2bn M&G Secured Property Income Fund
- M&G Real Estate has sourced and invested over £4.5 billion of long lease real estate since 2000.

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Notes to Editors

About M&G

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 30 June 2014 the firm manages over £253 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.

M&G is the investment arm of Prudential Plc in the UK and Europe.

About M&G Real Estate

M&G Real Estate is the real estate fund management arm of M&G and is one of the top 25 real estate fund managers in the world by assets under management, with over £19.3 billion invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 30 June 2014). For more information please visit www.mandg.com/realestate

About the University of St Andrews

The University of St Andrews is Scotland's first university and is the third oldest in the English speaking world, founded in 1413. It is ranked 4th in the Good University Guide 2015, 3rd in the Guardian University Guide 2015 and is The Times and Sunday Times Scottish University of the Year 2014/15. It is ranked first equal amongst UK universities for student satisfaction.

About Campus Living Villages

Campus Living Villages (CLV) is a global owner, developer and operator of student accommodation and currently manages 41,000 beds across Australia, New Zealand, United States and the United Kingdom. As a specialist in student accommodation, CLV has established itself as a leading provider of quality facilities and exciting student communities.

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