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M&G Real Estate acquires majority stake in European investment manager BauMont

M&G's With Profits Fund invests €200 million in latest fund

M&G plc today announces that its Real Estate business has acquired a majority stake in BauMont Real Estate Capital Limited (BauMont) – a leading European investment manager specialising in value-add strategies.

The acquisition underpins M&G's strategy as it seeks to strengthen its position as a leader in European private assets through selective bolt on acquisitions.

Established in 2017, BauMont has offices in Paris and London with €1.5 billion¹ of assets under management and a management team with an investment track record of more than 20 years. Value-add investments are different to core real estate strategies as they usually require action such as redevelopment or refurbishment to achieve higher returns.

BauMont's 18-strong team will join forces with M&G's £40 billion² global real estate business to expand its client proposition beyond core real estate and enable investment throughout the property cycle – unlocking potential returns through active management. In turn, BauMont will benefit from M&G's significant European real estate platform, alongside its global distribution capabilities that have been expanded in recent times to meet the growing needs of institutional investors in Europe and Asia.

Separately, M&G's With Profits Fund – which invests and manages the long-term savings on behalf of 4.6 million UK policy holders, including 450,000 clients in the market leading PruFund – is investing €200 million in BauMont's latest fund and is seeking to secure higher returning opportunities for its wider £13 billion real estate allocation.

Joseph Pinto, Chief Executive Officer, M&G's Asset Management business, said: "The acquisition of a majority stake in BauMont is in line with our growth strategy in private markets where we have the ambition to become the European champion in this space. BauMont is a specialist firm with leading capabilities that can be enhanced by the strength of our wider real estate platform and distribution network. This deal is testament to our strategy of investing in teams that have the potential to deliver alpha for our clients over the long-term, building on our rich heritage and track record in investing in private markets, yet continuing to drive innovation and enhance our capabilities."

Robert Balick, Managing Partner at BauMont, added: "Collaborating with M&G Real Estate is an exciting milestone for us as they share our commitment to excellence and innovation in real estate



investing. We will be able to leverage M&G's extensive resources and expertise to source a wider set of opportunities as we seek to deliver enhanced value to our investors."

-ENDS-

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Notes to editors:

¹BauMont as of 30 October 2024

²M&G as of 30 June 2024

Investor intention surveys have shown that European and Asian investors see the market potential of value-add real estate strategies, especially at this point in the cycle where we are entering the recovery phase. As urbanisation and economic growth continue to drive demand for high-quality real estate, value add is poised to play a crucial role in the real estate allocation of global institutional investors.

About M&G plc

M&G plc is a leading international savings and investments business, managing money for around 4.6 million retail clients and more than 900 institutional clients in 38 offices worldwide. As at 30 June 2024, we had £346.1 billion of assets under management and administration. With a heritage dating back more than 170 years, M&G plc has a long history of innovation in savings and investments, combining asset management and insurance expertise to offer a wide range of solutions. We serve our retail and savings clients under the M&G and Prudential brands in the UK and Europe, and under the M&G Investments brand for asset management clients globally.

About BauMont

BauMont is an independent real estate private equity investment firm formed in 2017 and led by Robert Balick and Frédéric Laurent, who together have over 50 years of experience across asset sectors and European markets. BauMont's partners have successfully managed investments through several cycles including times of great volatility and capital vacuums.

BauMont's investment strategy covers Western Europe with a focus on France and the UK. BauMont seeks to generate superior returns by acquiring real estate assets where value can be created through intensive asset management and unlocking arbitrage opportunities.



With offices in London and Paris, BauMont's experienced investment team has an extensive network of relationships, providing access to a wide range of investment opportunities in the office, retail, industrial and residential real estate sectors. For more information, please visit <https://www.baumontrealestate.com/>