

M&G commits £1 billion to power UK innovation, infrastructure and affordable housing

London, 21 January 2026 — M&G plc, a leading international savings and investment business, today announces its ambition to supercharge the impact of institutional capital by investing over £1 billion into the UK economy over the next three to five years to support new affordable homes, regeneration projects, infrastructure and innovative companies. Through the launch of two funds, M&G will channel capital from its Life business, the British Business Bank and Local Government Pension Scheme (LGPS), Scottish Borders Council Pension Fund.

M&G has over £100 billion invested in the UK economy and aims to attract further investment from LGPS and international investors into the forthcoming **M&G UK Social Investment Fund** (the Fund), alongside other long-term investors including DC pension schemes, endowments and charitable foundations. It is set to launch with a £130 million commitment from Scottish Borders Council Pension Fund and M&G's multi-billion With Profits Fund.

Aligning with the Government's aim to encourage LGPS assets to boost UK economic growth, the Fund will focus on delivering positive social outcomes through urban regeneration, affordable homes, clean energy and essential infrastructure that improve health and community wellbeing. Managed by M&G's £78.5 billion private markets business, it will enable large-scale investment into bespoke projects to drive meaningful change and help savers see the real-world impact of their pension savings. Early pipeline opportunities include partnering with local authorities and registered providers to deliver purpose-built accommodation for young care leavers and additional affordable housing.

In addition, M&G also announces that its **M&G Catalyst Growth Equity Fund** (Catalyst), has secured commitments in excess of \$850 million, including capital from M&G's With Profits Fund and \$100 million from the British Business Bank, alongside other institutional investors*.

Catalyst invests in innovative private companies in the UK and internationally that can deliver both financial returns and measurable social and environmental impact. These companies are often university spinouts, and with the help of scale-up capital from Catalyst, can become market leaders in technology, healthcare and sustainability.

Chancellor of the Exchequer, Rachel Reeves, said: "This investment is exactly what our pensions and investment reforms are designed to unlock. Billions of pounds to build the homes, infrastructure and invest in innovative businesses that will power Britain's next decade of growth."

Andrea Rossi, Chief Executive of M&G plc, said: "By unlocking capital from British savers and international partners, M&G is poised to build critical infrastructure, support the growth of British businesses, while laying the foundations for a more productive, sustainable economy and stronger communities across the country."

David Parker, Chair of the Pension Fund Committee for Scottish Borders Council Pension Fund, said: "Scottish Borders Council is delighted to be partnering with M&G in their new UK Social Investment Fund. The Fund will provide a significant boost to the UK economy and deliver investment that will benefit communities throughout the whole of the



United Kingdom. The pipeline of projects within the Fund will make an enormous difference to many communities and the quality of the projects that will be financed is extremely impressive. SBC have no doubt that M&G's strong track record of delivery will make a huge difference to the whole of the UK."

Louis Taylor, Chief Executive of the British Business Bank, said: "We're delighted to be backing M&G's new fund, which will drive investment in the UK's growth economy. M&G continues to be a trailblazer in boosting its investment activity in UK venture and, along with their investors, they will see the benefits of being a leader in the long term. There are significant untapped opportunities in the UK's unlisted companies, and our domestic institutions should be looking to increase allocations to this asset class. Our new platform, Venture Link, will help to pave the way for institutional investors by increasing visibility of live investment opportunities like this one."

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Notes to editors:

*subject to a legal close of the Fund.

About the M&G UK Social Investment Fund

The M&G UK Social Investment Fund is a pioneering multi-asset private markets strategy designed to deliver positive social outcomes across five core impact areas: local economic growth, improved health outcomes, decarbonisation, access to homes where they're needed, and access to essential services and infrastructure. These outcome areas guide the Fund's strategy, which spans real estate, infrastructure, private credit and private equity, underpinning its focus on raising living standards, improving public services and supporting sustainable, longterm community resilience.

Independent research by OCSI highlights 225 areas in England with acute shortages of healthcare, community and greenspace infrastructure. While these areas illustrate the scale of the social investment need, the Fund will assess opportunities across the whole UK, investing wherever capital can deliver meaningful social and economic benefit. M&G aims to attract further investment from DC pension schemes, endowments and charities, alongside local government pension schemes in the UK and internationally in due course.

About the M&G Catalyst Growth Equity Fund

The M&G Catalyst Growth Equity Fund is a global growth equity strategy with a dedicated 20% allocation to the UK, ensuring that a meaningful share of its capital continues to back the country's most innovative, highgrowth businesses. Catalyst's strong track record of supporting innovative, high growth British businesses with world-class science and the potential for global impact, includes investment into:

- **Pragmatic** - a UK semiconductor innovator developing ultra low cost, flexible chips that enable new applications across healthcare, packaging and consumer goods.
- **Nuclera** - the Cambridge University spinout that provides scientists with rapid access to high-quality and novel proteins which are at the starting point in the drug discovery process.
- **Oxford Nanopore Technologies** - a pioneer in real time DNA and RNA sequencing whose technology is used globally in research, diagnostics and infectious disease monitoring.

About M&G's With Profits Fund

M&G's £130 billion With Profits Fund is investing in both the UK Social Investment Fund and Catalyst strategies, providing the scale and long-term capital needed to launch and grow these initiatives, whilst enhancing its private markets



exposure. Investing on behalf of 4.5 million UK policyholders, it is the largest fund of its kind in the UK and invests extensively in private markets and has long been a trailblazer in democratising access to investment in real estate, infrastructure and private companies through its market-leading PruFund.

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About M&G plc

M&G plc is a leading international savings and investments business, managing money for around 4.5 million retail clients and more than 900 institutional clients in 39 offices worldwide. As at 30 September 2025, we had £364.9 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.

Additional Information

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