

NEWS RELEASE



PGIM Real Estate raises £190m to launch UK Affordable Housing Fund

LONDON, 1 FEBRUARY 2021 – PGIM Real Estate has launched its UK Affordable Housing Fund, with an initial capital raise totaling £190 million, from the Northern LGPS and Brunel Pension Partnership. PGIM Real Estate is the real estate investment and financing business of PGIM, the US\$1.4 trillion global investment management business of Prudential Financial, Inc. ([NYSE: PRU](#)).

The open-ended income-focused UK Affordable Housing Fund targets a total return of 6-9% per annum, net of fees and costs, by investing in and developing affordable homes for working people and families across the UK. The Fund is also able to leverage, giving it the potential to deploy up to £250 million at launch. The Fund is managed by an experienced team of investment professionals at PGIM Real Estate including Senior Portfolio Manager, Paul Dennis-Jones and Head of UK Transactions, Charles Crowe.

Northern LGPS, combines the assets of Greater Manchester Pension Fund, Merseyside Pension Fund and West Yorkshire Pension Fund. Brunel Pension Partnership brings together circa £30bn investments from ten public pension funds across West and South West England. There has been a collapse in supply of UK affordable housing since the 1970s, with lack of affordability exacerbated by the end of local authority housebuilding. In 2018/19, just 57,000 affordable/social homes were built in England, versus an estimated annual need of 145,000*. This investment will aim to help alleviate the supply and demand imbalance in the affordable housing sector.

PGIM Real Estate has a strong affordable housing track record, making its first investment in UK affordable housing in 2016 – which include portfolios in Hull, Reading, Southampton, Dunbar, Glasgow and South Yorkshire. Since 2010, PGIM Real Estate has committed \$5 billion globally into more than 180 properties with ESG components -- including affordable housing and urban regeneration. With PGIM Real Estate's robust ESG strategy and rigorous risk management framework, this strategy strengthens the firm's long commitment to sustainability and ESG.



*Charles Crowe,
Head of UK Transactions,
PGIM Real Estate*



*Paul Dennis-Jones,
Senior Portfolio Manager,
PGIM Real Estate*



*Councillor Ged Cooney,
Chair of Northern LGPS*



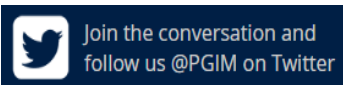
*Vanessa Jacka,
Investment Principal, Brunel
Pension Partnership*

Charles Crowe comments: “We are pleased to unveil our UK Affordable Housing strategy, which has been supported by the Northern LGPS and Brunel. With a major supply/demand imbalance within UK affordable housing, PGIM Real Estate’s strong track record in this space provides a mutually beneficial opportunity for working people and families in the UK, as well as for income focused investors.”

Paul Dennis-Jones comments: “This strategy strengthens our commitment to delivering positive sustainable solutions whilst creating value for our investors. There is a clear social need to be met in the affordable housing sector. Our deep global expertise in ESG, in combination with our long history of investing in this sector means we are able to build safe and quality homes to meet social demand and deliver long-term investment performance.”

Councillor Ged Cooney, chair of Northern LGPS commented “Northern LGPS has a strong commitment to use the pensions of its members to seek to help solve societal issues whilst also obtaining appropriate risk adjusted returns. The UK has a severe housing shortage which urgently needs to be addressed. Patient long-term capital such as ours is well placed to help address this issue. We look forward to working with PGIM Real Estate and other investors over the coming years to develop the product and deliver an exceptional housing product to residents whilst also achieving a strong income based return.”

***Learn more about PGIM
Real Estate:
pgimrealestate.com***



Vanessa Jacka, Investment Principal, Brunel Pension Partnership said, “We are delighted our clients will now have access to this emerging but under-represented sector of the UK residential market. The Fund is intent on encouraging better practices, both environmentally and socially, in a housing sector where provision has historically been fragmented. PGIM Real Estate has a strong track record of raising standards in affordable rental and it is an area where the LGPS can provide long-term support whilst achieving appropriate investment returns.”

*Crisis & National Housing Federation, Housing Supply Requirements Across Great Britain (Professor Glen Bramley, Heriot-Watt University, November 2018), Table 1.2.

For Professional Investors Only. All investments involve risk, including the possible loss of capital. Targeted returns are not guaranteed and are subject to change.

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The Fund is available for professional investors only. An investor should review and carefully consider the offering memorandum, constitutional documents and other marketing materials relating to the Fund, including the risk warnings contained within them, and should seek advice from their legal, tax and other relevant advisors before making any decision to invest in the Fund

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About PGIM Real Estate

As one of the largest real estate managers in the world with \$182.5 billion in gross assets under management and administration¹, PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum. PGIM Real Estate is a business of PGIM, the \$1.4 trillion global asset management business of Prudential Financial, Inc. (NYSE: PRU).

PGIM Real Estate's rigorous risk management, seamless execution, and extensive industry insights are backed by a 50-year legacy of investing in commercial real estate, a 140-year history of real estate financing², and the deep local expertise of professionals in 32 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that ignite positive environmental and social impact, while pursuing activities that strengthen communities around the world. For more information visit www.pgimrealestate.com.

¹As of September 30, 2020. Net AUM is \$121.3 billion and AUA is \$40.4 billion.

²Includes legacy lending through PGIM's parent company, PFI.

About PGIM

PGIM is the global asset management business of Prudential Financial, Inc. (NYSE: PRU). PFI ranks among the top 10 largest asset managers in the world* with more than US\$1.4 trillion in assets under management as of September 30, 2020. With offices in 16 countries, PGIM's businesses offer a range of investment solutions for retail and institutional investors around the world across a broad range of asset classes, including public fixed income, private fixed income, fundamental equity, quantitative equity, real estate and alternatives. For more information about PGIM, visit pgim.com.

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* Prudential Financial Inc. (PFI) is the 10th largest investment manager (out of 527 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on June 1, 2020. This ranking represents global assets under management by PFI as of March 31, 2020.

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