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L&G and Federated Hermes announce fund merger, expanding L&G's Managed Property Fund to £4.7bn

- Two of the UK's most prominent property funds complete landmark merger
- This innovative investment solution aims to offer scale, liquidity and long-term performance for all investors

L&G and Federated Hermes today announce that the Federated Hermes Property Unit Trust ("FHPUT") has merged into the L&G Managed Property Fund ("MPF"), in a landmark transaction that reflects the focus of both firms to act in the best interests of investors.

A substantial portion of FHPUT unitholders' holdings will be transferred to the MPF, which will take ownership of FHPUT's real estate portfolio. All FHPUT unitholders will either have their holdings transferred or receive liquidity, in accordance with the structure of the transaction. Following the completion of the merger, the enlarged MPF is valued at £4.7 billion¹.

The enlarged L&G Managed Property Fund brings together two of the UK's longest-established property funds - FHPUT (1967) and MPF (1971) - into a single bolstered fund. The merger will unlock the potential for L&G to deliver greater scale and liquidity whilst maintaining long-term performance for all investors.

Investor engagement throughout the process has been significant, with an overwhelming majority of FHPUT unitholders voting in favour of the merger. This underscores the strong alignment with investor priorities and confidence in the strategic direction of the MPF. The merger was made possible through the constructive and collaborative approach between the two firms following the decision to merge, and a consequence of Federated Hermes' commitment to client outcomes.

L&G is a leading UK real estate owner and operator², with growing international presence, backed by over 50 years of sector expertise. Leveraging its proven track record, deep sector knowledge, and scalable platform, L&G is leading innovation across the private markets landscape. Real estate remains a cornerstone of L&G's private markets capabilities and a key driver of its growth strategy.

Michael Barrie, Head of Real Estate, UK & Europe, L&G: "Bringing together two of the UK's most established property funds is a significant step in our strategy to strengthen our market position. It reinforces the collaborative approach that underpins L&G's private market platform growth, our credibility as a partner of choice for consolidation opportunities and our abilities to execute innovative solutions."

"Through combining deep sector expertise with strong partnerships, we will continue to seek resilient, long-term value for investors. The overwhelming support from FHPUT unitholders is a clear vote of confidence - both in our strategy and in our partnership with Federated Hermes."

¹Internal data, 15 August 2025.

²IPE Real Assets Top 150 Real Estate Investment Managers data, December 2024.

Mark Russell, Chief Investment Officer for Federated Hermes Real Estate: “We are proud to be able to announce today the successful merger of FHPUT with the L&G Managed Property Fund. It is also with a sense of pride, and some nostalgia, that we bring our 24-year association with FHPUT, a consistent strong performer, to a close. As the market has evolved, the needs of our clients have likewise changed and, we therefore sought this merger to provide the best options possible for them.

“This outcome follows months of detailed and thoughtful planning, undertaken in close consultation with FHPUT’s unitholders. Our goal throughout has been to deliver a solution for our investors that offers continued market exposure to the majority, where feasible, while enhancing both stability and liquidity over the long term.

“We are confident that the L&G Managed Property Fund – managed by a like-minded and highly experienced team – will continue to serve our clients with the same excellence and integrity they have come to expect. We are grateful to the L&G team for their collaborative and constructive approach throughout this process.”

Rob Codling, Head of Commercial Funds - Real Estate Equity, L&G: “The MPF has been very acquisitive over the last 18 months, and this merger will continue to expand and strengthen our property portfolio. The assets complement existing holdings, and we expect the combined portfolios to drive strong returns for all investors. It has been a pleasure to collaborate with Federated Hermes through this process, to deliver a compelling solution for the FHPUT unitholders who we look forward to welcoming into the MPF.”

-ENDS-

Notes to editors

About L&G

Established in 1836, L&G is one of the UK's leading financial services groups and a major global investor, with £1.1 trillion in total assets under management (as at HY25) of which c. 43% (c. £0.5 trillion) is international. We have a highly synergistic business model, which continues to drive strong returns. We are a leading player in Institutional Retirement, in Retail Savings and Protection, and in Asset Management through both public and private markets. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

About our Asset Management business

L&G's Asset Management business is a major global investor across public and private markets, with £1.1 trillion in total assets under management (as at HY25) of which c. 43% (c. £0.5 trillion) is international. Our clients include individual savers, pension scheme members and global institutions.

We provide investment solutions from index-tracking and active funds to liquidity and liability-based risk management strategies.

Our investment philosophy and processes are focused on creating value over the long term. We believe that incorporating financially material sustainability criteria, when relevant to our clients, can create value and drive positive change. This reflects L&G's purpose: 'Investing for the long term. Our futures depend on it'.

With ambitions to grow Private Markets AUM to £85 billion by 2028 – up from £65 billion at HY25 – the firm focused on expanding across real estate, infrastructure, private credit, and venture capital³.

With a strong focus on income-producing strategies, L&G's real estate platform spans commercial real estate, residential development, and operational and long-lease rental. The Managed Property Fund deploys targeted capital expenditure to help retain a robust income stream.

About Federated Hermes

Federated Hermes is a leading global provider of active, responsible asset management with \$845.7 billion in assets under management (as at 30 June 2025). We deliver investment solutions that help investors target a broad range of outcomes and provide equity, fixed-income, alternative/private markets, multi-asset and liquidity management strategies to more than 10,000 institutions and intermediaries worldwide. Our clients include corporations, government entities, insurance companies, foundations and endowments, banks and broker/dealers. Headquartered in Pittsburgh, Federated Hermes has more than 2,000 employees in London, New York, Boston and offices worldwide.

Follow us on [LinkedIn](#).

Website: www.hermes-investment.com

³L&G Group Half Year Results, 6 August 2025.

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Key Risks

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