

10 September 2018

LEGAL & GENERAL'S LEISURE FUND GROWS TO OVER £600M FOLLOWING ACQUISITION OF BIRMINGHAM'S BROADWAY PLAZA

LGIM Real Assets (Legal & General) announces that it has acquired Broadway Plaza in Birmingham, on behalf of its Leisure Fund (the "Fund"), from Aviva Investors, for £46.95 million, growing the Fund to over £600 million.

The 280,000 sq ft leisure development is anchored by a brand-new Odeon Luxe Cinema along with a Hollywood Bowl, Travelodge, Nuffield Health, Rock Up and an independent casino. The scheme is also soon to open an indoor adventure golf offer to add another large footfall generator. The scheme generates a total net income of approximately £3.5m per year.

Odeon Cinemas and Hollywood Bowl, have both recently committed to new 15 and 25 year leases respectively giving a WAULT on the asset of 14 years to expiry with over 80% of the income geared to indexation or fixed growth. The car park has also recently been updated at a cost of £9 million.

This acquisition follows the leisure fundings recently exchanged by the Fund in Stafford (Waterfront Leisure) and York (Vanguard Leisure Park) to be anchored by Odeon and Cineworld respectively and completed in early 2019.

Formed in 2002, the Leisure Fund Limited Partnership has over £600m of assets under management, comprising 18 prime leisure assets occupying dominant positions across the UK and a major development scheme in York. The fund offers an attractive income profile, with a weighted average unexpired lease term of close to 15 years that is backed by strong covenants and with over 50% of the income benefiting from being inflationary linked or incorporating fixed uplifts as well as an extremely low void rate. In 2017 the Fund delivered a strong total return of 12.9% to its institutional investors, which compared favourably to the MSCI All Leisure Benchmark which generated 10.2%. The Fund is managed by Andrew Ferguson (Senior Fund Manager) and Louis Storrar (Senior Asset Manager).

Legal & General's Leisure Fund was advised by KLM Retail, while Aviva Investors was advised by Knight Frank.

Andrew Ferguson, Senior Fund Manager of Legal & General, said: "This is a great addition to the Fund, presenting an opportunity to improve a dominant edge of city leisure scheme with strong anchor tenants.

"The leisure sector continues to grow with more innovative concepts emerging. Our dedicated Leisure Fund has grown to over £600m following this acquisition and is continuing to grow with exciting new developments in the pipeline. This scheme presents an opportunity for us as specialist leisure owners to continue to evolve the leisure offering in order to achieve the best results for our investors."



Mark Smith of KLM Retail comments: “The scheme has seen significant improvements in the past 18 months and with the opening of the Odeon Luxe and new Hollywood Bowl, the scheme is the dominant leisure offer in Birmingham city centre with further potential to move forward.”

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Notes to editors

LGIM Real Assets

LGIM Real Assets is a division of Legal & General Investment Management (LGIM), one of Europe’s largest institutional asset managers and a major global investor. LGIM manages £983.3bn in assets on behalf of over 3,200 clients (as at 31 Dec 2017), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £27bn (as at 31 Dec 2017), actively investing and managing assets across commercial property, private residential, infrastructure and property lending and, most recently, corporate credit.

Legal & General Group

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with a number of growing businesses in the US. Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

We operate in three principal areas:

-Investing & Annuities, where we manage £58bn of retirement annuities for policyholders and invest for their long term return within Legal & General Retirement, as well as investing our own balance sheet within Legal & General Capital;

-Investment Management, where we have £983bn in total assets under management from clients in the UK, US, Asia and EMEA and a leading UK workplace savings and retail investments business within LGIM; and

-Insurance, where we provide protection against life events for customers, with £2.9bn of gross written premiums principally in life insurance in the UK and US within Legal & General insurance and household insurance in the UK within our General insurance division.