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LEGAL & GENERAL'S UK PROPERTY FUND FURTHER DIVERSIFIES AND STRENGTHENS WITH BTR AND OFFICE ACQUISITIONS

On behalf of Legal & General's UK Property Fund (the "Fund"), LGIM Real Assets announces that it has exchanged contracts on a Grade A office building in Salford and a Build To Rent (BTR) site in Chelmsford City Centre, as it continues to strengthen and diversify its underlying portfolio.

Since its launch in 2006, the UK Property Fund has grown from £100m to £3bn today, with its success underpinned by a blended and high quality portfolio of assets. This marked the second BTR acquisition for the Fund, the purchase supports its strategy to diversify its holdings into more operational assets, whilst adding to its Alternative exposure. This latest acquisition will sit alongside recent alternative investments in hotels, healthcare, student accommodation and self-storage, including its landmark acquisition of the Iron self-storage portfolio last year.

The BTR site, known as Chelmer Waterside, forms part of a major mixed-use development in Chelmsford, comprising 421 residential apartments, associated landscaping and local retail amenities. The BTR element, which is being developed by Taylor Wimpey in conjunction with Legal & General, comprises 189 studio, one, two and three bedroom apartments, 10 minutes' walk from the city centre. Legal & General has committed £24.5m to the acquisition and development of the site which is bounded by the River Chelmer and Springfield lock.

Riverside House, which provides 11,692 sq ft Grade A office space and was acquired for £6.3m, represents another strong investment for the Fund. With a net yield of 4.7%, Riverside House occupies a highly prominent location at the entrance to New Bailey, one of Manchester's most dynamic new office districts – currently being regenerated by English Cities Fund, a partnership between Legal & General, Muse Developments and Homes England. The Manchester office market is performing well, characterised by low supply and strong levels of occupier demand. Forecasts predict these dynamics are due to continue.

Matt Jarvis, Senior Fund Manager, UK Property Fund, at LGIM Real Assets, said: "Using our UK property market forecasts, the fund continues to invest in strong performing assets where we see prospects to drive value. The BTR transaction forms part of our strategic focus to increase our exposure to alternative and operational assets, whilst demonstrating the breadth of our wider fund management platform. As we continue to actively diversify our holdings, Build to Rent and Grade A office space remain preferred subsectors alongside operational hotels, self-storage and student accommodation, giving us real time access to occupational markets with a robust rental growth story.

"The Fund continues to look to invest in assets in good locations and with strong property fundamentals. Both Chelmsford and Salford are exemplary of this."



Legal & General has a strong track record in the BTR sector and this purchase marks the fifteenth BTR asset across Legal & General's wider platform.

Legal & General was advised by Savills on this acquisition of the Chelmer Waterside BTR site.

- Ends -

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Notes to editors

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 £1.1tn in assets (as at 30 June 2019), working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets, headed up by Bill Hughes, has AUM of £33.4bn (as 30 June 2019) and is one of the largest private markets investment managers in the UK. Investing in both debt and equity and across the risk/return spectrum, the platform actively invests in and manages assets across commercial, operational and residential property sectors, as well as infrastructure, real estate, corporate and alternative debt. By bringing these capabilities together under one platform, the business is able to offer its clients enhanced outcome-focused strategies and diversification benefits, with deep sector understanding across a broader investment universe. Taking a long term view in order to future proof its investments, the business continues to lead the industry in ESG performance, considering all environmental, social and governance issues at asset level as well as portfolio level.

Legal & General Group

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With over £1.1 trillion in total assets under management at 30 June 2019, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income. We have also invested over £22 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.