

9 January 2018

## LEGAL & GENERAL BAGS STAFFORD RETAIL INVESTMENT AS FINAL UK PIF II ACQUISITION

LGIM Real Assets (“Legal & General”) announces, on behalf of its second UK Property Income Fund (“UK PIF II” or the “Fund”), that it has exchanged contracts to acquire Riverside Retail Park in Stafford from LXB Retail Properties for a total consideration of £36.8m, reflecting a net initial yield of 6.8%. This acquisition marks the final acquisition for UK PIF II.

As part of a linked transaction, the Legal & General Leisure Fund has entered a forward commitment to purchase the adjacent leisure development known as Waterfront for £15m, which will be anchored by Odeon cinemas.

The retail and leisure scheme was developed in 2016 and provides a total of 102,060 sq ft of retail accommodation across 17 retail units. The anchor tenants are M&S and Primark, with a strong supporting tenant line-up including River Island, H&M, Outfit and JD Sports. There are currently four vacant units, two of which are under offer. The scheme benefits from a 1,025 space multi-storey car park located in the Waterfront and an additional 180 spaces underneath Riverside; both car parks are operated by the local authority. Waterfront will include six restaurants and a six screen Odeon cinema. Nandos and Frankie & Benny’s are already trading.

Following the success of UK PIF I, LGIM Real Assets launched its second fund within The UK Property Income Fund model series. The fund has a seven year life span and delivers a core/core-plus risk strategy and includes investment from Legal & General Group and the fund team with a total buying power or Gross Asset Value (GAV) of £610 million when including gearing.

Following this latest acquisition, UK PIF II has acquired a balanced portfolio of 13 properties to date, totalling approximately £525m. Located in strong growth locations across the UK, these include Priory Court and the Lewis Building in Birmingham; The Overgate Centre in Dundee; The Grafton in Cambridge and FC200, West London. The Fund continues to successfully implement its business strategy for each of the properties, adding value and driving income growth across the portfolio through clever asset management initiatives.

**Charlie Walker, Director of LGIM Real Assets and Fund Manager of UK PIF II, said:** “This acquisition for UK PIF II is an excellent final addition for the Fund, allowing us to secure a high-quality new shopping destination in Stafford with an attractive income profile. We are looking forward to working with the retailers and continue to further enhance Riverside’s footfall, following recent new openings.”



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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 £951.1bn in assets on behalf of over 3,200 clients (as at 30 June 2017), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £24.9bn (as at 30 June 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 and in other countries. At 30th June 2017, we had over £951 billion in total assets under management. Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

We work with companies and pension trustees to help people build security in retirement, being the UK's largest investment manager for UK corporate pension schemes, a major provider of auto-enrolled pensions and a market leader in pensions de-risking. We have also made a commitment to invest around £15 billion in direct investments, with £12 billion already invested in areas such as homes, urban regeneration, clean energy and small business finance, driving economic growth and making a positive difference to the UK's built environment.