

BMO Real Estate Partners' UK Property Fund deploys £50 million into three acquisitions

LONDON, 01 October 2018 – BMO Real Estate Partners (BMO REP), part of Canada's BMO Financial Group's £195 billion¹ Global Asset Management business, today announces that its UK Property Fund has completed three acquisitions for a total consideration of £49.4 million. Together the new assets provide a blended initial income return of 5.14% while offering scope for income enhancement and further increasing the portfolio's weighting towards the office and industrial sectors.

The acquisitions comprise a modern, industrial warehouse unit in Portsmouth, an office building in the growing Yorkshire financial and commercial centre of Leeds and a mixed-use asset in Bath.

The warehouse unit in Portsmouth provides 39,850 sq ft of space offering medium term reversionary potential. The property is located on the M27 motorway junction, which provides access west to the port town of Southampton and north to London via the M3, in a market with limited new stock and which is seeing strong rental growth.

The Fund has also acquired Minerva House in Leeds, a 58,000 sq ft, 11 storey office building that was comprehensively refurbished in 2016. Multi-let on a WAULT² of around nine years to 13 tenants with strong covenants, including Gateley plc, BNP Paribas, Standard Life and UBS. The property also has two 11,900 sq ft leisure units over the basement and ground floors, which are both fully let. One small office suite remains vacant which provides scope to set a new rental tone for the building. Minerva House is situated on East Parade, in the centre of Leeds's professional district and close to Greek Street, which is the city's prime leisure area.

Finally, Cambridge House in Bath is a mixed-use office, leisure and retail property in the heart of Bath, a designated UNESCO World Heritage site with an affluent population, two universities and a diversified and rapidly growing economy. Comprising 52,400 sq ft spread over the basement, ground and four upper floors, the asset is fully let to six tenants, including four office occupiers, on WAULT of nine years. With a reversionary yield of 5.81%, the property offers significant potential to generate income growth.

Guy Glover, Fund Director, of F&C UK Property Fund at BMO Real Estate Partners commented: "These latest transactions reflect our disciplined efforts to deploy the Fund's equity into opportunities that will further improve income returns and, importantly, offer potential to unlock value with our asset management expertise. We have a steady pipeline of

¹ Assets Under Management (AUM) reported is as at 30.06.2018 and includes both discretionary and non-discretionary assets.

² Weighted Average Unexpired Lease Term

investments that meet our investment criteria and we look forward to making further announcements in the near future.”

The F&C UK Property Fund³ is an open-ended Property Authorised Investment Fund that aims to provide investors with high quality income and capital growth through investment in UK commercial property, diversified by both sector and geography. Following the three latest acquisitions, the portfolio value stands at £560 million, split across the all sectors but with a weighting towards office and industrial.

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About BMO Real Estate Partners

BMO Real Estate Partners is a specialist real estate investment manager firm with £6 billion of AUM⁴ across core European markets, employing more than 140 staff, including more than 20 investment managers and over 25 asset managers overseen by a highly experienced and well-regarded management team.

It offers investors a broad suite of products specialising in core / core+ strategies with a focus on delivering superior income returns and a track record of performance against key benchmarks throughout market cycles. BMO Real Estate Partners has a strong localised presence with offices in London, Paris and Munich, as well as on-the-ground reach in core European markets including Spain and Italy.

While it retains an independent, agile and entrepreneurial approach to its investment activity, BMO Real Estate Partners is able to call on the support structure and expertise of BMO Financial Group's £195billion⁵ Global Asset Management business, which provides deep seated insight into institutional investment landscape and facilitates the adoption of best in class corporate governance and sustainability principles.

About BMO Global Asset Management

BMO Global Asset Management is a global investment manager with offices in more than 25 cities in 14 countries, delivering service excellence to clients across five continents.

Our four major investment centres in Toronto, Chicago, London and Hong Kong are complemented by a network of world-class specialist managers strategically located across the globe: BMO Real Estate Partners, LGM Investments, Pyrford International Ltd. BMO

³ BMO Global Asset Management today will transition the remaining F&C branded products to the BMO by the end of 2018

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Global Asset Management is a signatory of the United Nations-supported Principles for Responsible Investment initiative (UNPRI).

BMO Global Asset Management is a part of BMO Financial Group, a highly diversified financial services provider based in North America with total assets of CDN \$744 billion as of 30 April 2018, and over 45,000 employees.

The value of investments and income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

The value of directly held property reflects the opinion of valuers and is reviewed periodically. These assets can also be illiquid and significant or persistent redemptions may require the manager to sell properties at a lower market value adversely affecting the value of your investment."