

BMO REP completes three logistics transactions for £32.9 million

London, 24 March 2021 – BMO Real Estate Partners (BMO REP), part of Canada's BMO Financial Group's £227 billion¹ Global Asset Management business, announces that it has committed, on behalf of a UK segregated mandate client, to the acquisition of three modern logistics assets totalling c.237,000 sq ft for £32.9 million. Following the sale of the Royal Mail distribution centre in Bristol, the transactions form part of BMO REP's strategy for its client to diversify out of larger and older distribution centres into modern and strategically located logistics facilities in areas of strong demand across the UK.

The first transaction is a £11.6 million, net initial yield 4.5%, forward commitment for an 80,000 sq ft logistics warehouse on the Futura Park commercial district in Ipswich. The asset is located to the east of the town centre with easy access to Felixstowe and the national motorway network. The property is pre-let to Hubbard Products Limited (guaranteed by Daikin Europe NV), a leading air conditioning manufacturer, on a 20-year lease. The freehold asset is due for completion in April 2021.

The second transaction represents a £11 million, net initial yield 4.6%, forward commitment for a 56,800 sq ft logistics warehouse in Aston within the Advanced Manufacturing Hub, which is 2.5 miles north of Birmingham city centre. The freehold asset is being built to a high specification and will comprise 40,000 sq ft of warehouse space and 16,800 sq ft of office space across three floors. The asset, which is due for completion in July 2021, is fully pre-let to Truflo Marine Limited (guaranteed by IMI plc), a global engineering business, on a 15-year lease with a break at 10 years.

The third transaction is the £10.3 million, 5.4% net initial yield, acquisition of an up and built modern mid-box industrial warehouse estate, known as Teltron Point, comprising three units totalling 99,867 sq ft. The units are let to three separate tenants on an average WAULT of 10.9 years. The asset sits within a modern business park located to the west of Swadlincote town centre, located within the 'golden triangle' in South Derbyshire, benefiting from good access to a strong transport infrastructure network.

Matthew Howard, Fund Manager at BMO REP, commented: "Our objective for the client has been to recycle the proceeds of recent sales into a diversified pool of modern logistics facilities in well-connected strategic locations with sound economic drivers. We are delighted to have continued this programme with the purchases in Ipswich, Birmingham and Swadlincote.

"We continue to have strong conviction in the industrial sector, and we believe these well-located modern facilities with attractive lease terms will provide accretive risk-adjusted returns for our client."

¹ BMO Global Asset Management as at 31 December 2020.

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About BMO Real Estate Partners

BMO Real Estate Partners is a specialist real estate investment manager firm with €7.4 billion of AUM² 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 €254 billion³ 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 and Pyrford International Ltd.

BMO 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 \$973 billion as of 31 January 2021⁴.

² Assets Under Management (AUM) reported is as at 31 December 2020 and includes both discretionary and non-discretionary assets.

³ BMO Global Asset Management as at as at 31 December 2020

⁴ https://www.bmo.com/ir/qtrinfo/1/2021-q1/Q121_CorporateFactSheet.pdf

The value of investments and any income from them can go down as well as up 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.