

BMO REP acquires prime retail asset on Paris's Rue du Faubourg Saint-Honoré

PARIS, 8 March 2018 – BMO Real Estate Partners (BMO REP), the pan-European property investment and asset management specialist that is part of Canada's BMO Financial Group's £187.8 billion¹ Global Asset Management business, announces the acquisition of a prime luxury retail property located on rue du Faubourg Saint-Honoré in Paris's 8th Arrondissement, on behalf of its pan-European retail property investment fund. The fund focuses on selective, high-quality retail investment opportunities in prime shopping streets within major European cities and is aimed at institutional investors.

The approx. 1,000 sqm property has been acquired in Grade A condition, having been entirely refurbished in 2012, by way of a sale-leaseback transaction and based on a net initial yield of 3.40%.

In line with the fund strategy, the asset is situated in an ultra-prime location in direct proximity to the Hermès flagship store and with Rue du Faubourg Saint-Honoré being widely regarded as one of the most prestigious addresses in the world, due to the presence of virtually every major global luxury brand.

Ian Kelley, Fund Director Europe at BMO Real Estate Partners commented: "This latest investment is a true trophy addition to our portfolio, and represents the fund's 4th retail property in Paris, one of the world's most sought-after ultra-prime shopping destinations. The outlook for both the city and this asset specifically are very positive; Paris continues to attract record tourist numbers, while strong demand continues from the best brands for this esteemed location."

The transaction was sourced off-market by Draco Partners. BMO REP was also advised by Lasaygues, King & Spalding and Taxand. The vendor was advised by Wargny-Katz and Degroux Brugere.

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¹ Assets Under Management (AUM) reported is as at 30.09.2017 and includes both discretionary and non-discretionary assets

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About BMO Real Estate Partners

BMO Real Estate Partners is a specialist real estate investment manager firm with €6.4 billion of AUM² (as at 30 September 2017) 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 £187.8 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 centers 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 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 \$728 billion as of January 31, 2018, and over 45,000 employees. BMO Wealth Management has worldwide assets under management of CDN \$436 billion, as of January 31, 2018.

Important Information

For professional investors only

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 get back less than the original amount invested.

The value of property-related securities and directly held property reflect the opinion of valuers and is likely to be revised. 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.

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