

BMO Real Estate Partners acquires trio of UK assets

LONDON, 17 January 2019 – BMO Real Estate Partners (BMO REP), part of Canada's BMO Financial Group's £198 billion¹ Global Asset Management business, today announces that it has completed two UK acquisitions and exchanged on a forward purchase, on behalf of a segregated mandate client, for a combined value of £24.3 million. These transactions represent the prompt reinvestment of proceeds from the recent opportunistic disposals undertaken on behalf of the same client.

The first acquisition comprises Sutherland House, an office asset in Glasgow's Central Business District which was purchased for £9.75 million. The prime located property was built in the 1930s but underwent a comprehensive refurbishment in 2016, which retained its attractive period exterior, and offers almost 40,000 sqft of prime office space arranged over nine floors. The asset has been acquired 64% let to strong covenants, offering immediate opportunities to bring in new tenants at a time when availability of Grade A stock in the Scottish city is at historic lows.

The remaining investments increase exposure to the strongly performing South East industrial market and include a warehouse property in Horsham, near Gatwick airport, and the forward-purchase of an industrial scheme in Milton Keynes, which were purchased for £7.5 million and £7.0 million respectively. The Horsham asset is a single-let distribution warehouse within the strategically located Oakhurst Business Park extending to 48,757 sqft, let to Macfarlane Group UK. The Milton Keynes scheme, known as Velocity and being developed by Hampton Brook, is due to complete in June 2019 and will comprise two separate warehouse units totalling 48,000 sqft. The scheme is already part pre-let and will provide a new high specification stock in an undersupplied market.

Matthew Howard, Director, Property Funds at BMO Real Estate Partners commented: "These transactions reflect our disciplined efforts to recycle capital from recent disposals into a mix of both secure and value-add opportunities in core locations, in line with the mandate's strategy. We consider the entry prices at which we acquired these properties to be attractive, while they each offer compelling long term prospects to continue generating income and growth on behalf of our client."

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¹ Assets Under Management (AUM) reported is as at 30.09.2018 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 £6.2 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 £198 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, 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 \$774 billion as of 31 October 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.

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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.