

PRESS RELEASE:

7 July 2020

ARA VENN FUNDS £250 MILLION ACROSS 6 LOANS IN THE SECOND QUARTER UNDER THE £3.5 BILLION PRIVATE RENTED SECTOR GOVERNMENT GUARANTEE SCHEME

£250 million of bonds sold to finance 6 PRS loans, including a major acquisition by ECE

The bonds sold by ARA Venn's subsidiary PRS Finance Plc take the total to over £1.25 billion

Investment manager ARA Venn announced that, notwithstanding necessary Coronavirus lockdown measures, it has completed £250m of new lending through the £3.5bn Private Rented Sector Housing Guarantee Scheme that it manages for the UK Government in the second quarter of 2020, taking total lending under the programme to over £1.25bn. It involved successful sales of its 2026, 2029 and 2034 bonds in order to make the loans.

The loans included an acquisition finance facility provided to German real estate investor ECE in respect of its £400m+ acquisition of 2,063 units in Birmingham, Leeds and Manchester city centres. The portfolio was developed by Dandara. ECE will be responsible for the long-term management and leasing of the apartment buildings in partnership with Dandara.

Richard Green, Partner at ARA Venn commented: "Our scheme was conceived to provide much needed debt liquidity to the nascent UK PRS market, and we are glad to have lent over £1.25bn to date, with a large pipeline yet to be funded. Our ability to access capital markets with our Government guaranteed bonds through the Coronavirus pandemic and related lockdown measures is testament to the resilience of the scheme and we are delighted to see investors' continued support. We are grateful to all stakeholders, including our colleagues at Homes England and MHCLG for their support in achieving these positive outcomes."

George Cotterell, Director at ARA Venn commented: "We supported Dandara's development financing by providing comfort that we could provide debt financing to the completed assets. It gives us immense satisfaction to back that up by providing acquisition financing to ECE in this landmark transaction for the sector, and we look forward to being part of ECE and Dandara's continued success."

Housing Minister Christopher Pincher MP said: "The £3.5bn Private Rented Sector Guarantee Scheme plays a vital role in delivering thousands of good quality homes, providing a better deal for private renters across the country. This important milestone reached today will ensure we are able to continue to support the Build to Rent sector through the pandemic and beyond."

Alexander Otto, CEO of ECE commented: "Our entry into the British build-to-rent market is a strategic investment into a growth segment in residential markets and a starting point for ECE to realize further investments in this promising sector in the United Kingdom and other European countries. The financing of ARA Venn was very supportive at getting successfully started with the acquisition of the Dandara portfolio, and we are very happy with the result and the good cooperation with ARA Venn."

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About ARA Venn

ARA Venn (the trading name of Venn Partners LLP) (“the firm”) is an investment manager in European real estate private debt. The firm specialises in creating investment products that provide investors with access to compelling risk-adjusted returns, whilst satisfying borrower demand for competitive, efficient and transparent loan product. ARA Venn serves the investment needs of a diverse range of government entities, leading global institutions and private investors.

Founded in 2009, the firm has AUM and active mandates totalling in excess of £5 billion. With offices in the UK, Spain and an affiliate office in the Netherlands, ARA Venn comprises a team of experienced professionals that pull together credit origination, underwriting, liability structuring and risk management skills with a deep understanding of investor and borrower requirements.

In 2020, Venn welcomed ARA Asset Management Limited (“ARA”) via its UK subsidiary, ARA UK Asset Management Limited, as a majority shareholder to help drive the firm’s next phase of growth, with Venn’s management team retaining a significant ownership stake. Under the transaction, Venn Partners re-branded as ‘ARA Venn’.

ARA is a leading Singapore-based APAC real assets fund manager with a global reach. With S\$88 billion¹ (£50 billion) in gross assets under management as at 31 December 2019, ARA manages listed and unlisted real estate investment trusts (REITs), private real estate credit and equity funds and infrastructure funds in 28 countries. As part of its investor-operator philosophy, ARA also operates a real estate management services division with local teams to manage its assets worldwide.

ARA Venn is ARA’s second investment partnership in Europe following its acquisition in July 2019 of a majority stake in Dunedin Property Asset Management Ltd (renamed ARA Dunedin) to invest in and manage real estate equity assets in the United Kingdom.

For more information, please visit <http://www.ara-group.com>.

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¹ Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates as at 31 December 2019