

10 September 2020

ARA VENN PRICES ITS SIXTH RMBS TRANSACTION

- **€1.5bn order book (5x covered on deal size) and achieved significantly tighter pricing**
 - **First publicly placed Dutch prime RMBS transaction since January 2020**

Venn Partners LLP (“**ARA Venn**”), an investment manager of residential mortgages and real estate debt, is pleased to announce the successful pricing of its sixth residential mortgage-backed securities (RMBS) transaction (“**Cartesian 5**”). Cartesian 5 is the first publicly placed Dutch prime RMBS issuance since January this year.

The €300 million transaction brings the total outstanding issuance under the Cartesian Dutch RMBS programme to €1.4 billion, of which €1.2 billion relates to collateral originated by ARA Venn’s affiliated mortgage platform, Venn Hypotheken BV.

Building on its growing reputation and scale as well as the low levels of European ABS issuance since March, the deal capitalised on significant investor demand for high-grade credit products to secure over €1.5 billion in orders (over 5x covered) for the AAA bonds. The AAA notes, which eventually priced at 3-month Euribor rate plus 55bps, was more than 15bps inside the initial price guidance. Cartesian 5 also comprised three mezzanine tranches of risk. The deal was rated by Fitch and DBRS. BNP Paribas, Citi and SMBC acted as joint lead managers.

Following a three-day virtual roadshow to a broad investor base, 31 new and existing investors across a range of sectors and jurisdictions participated in the final allocation.

With AUM and active mandates in excess of £5 billion, ARA Venn also operates in the UK residential market, where it manages a government-guaranteed lending programme in the build-to-rent sector and plans to launch a mortgage product for prime first-time buyers in the coming months.

Gary McKenzie-Smith, Managing Partner at ARA Venn, commented: “One of the key goals we set for Cartesian 5 was to build a more diverse investor base that would help to support liquidity in the secondary market. We are delighted to have achieved that as it will help the wider Cartesian programme as well as our execution on this deal. We look forward to the continued growth of this important investment strategy, and to taking our experience and track record into other residential mortgage markets.”

Marc de Moor, CEO of Venn Hypotheken, commented: “We are thrilled with the outcome of this issuance. Not only does this underline the robustness of our platform both in terms of asset quality and funding diversification, but also illustrates the execution power of the ARA Venn team and JLMs even in these troubled economic times.”

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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 rebranded as ‘ARA Venn’.

ARA is a leading Singapore-based APAC real assets fund manager with a global reach. With S\$110 billion¹ (£62 billion) in gross assets under management as at 30 June 2020, 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>.

About Venn Hypotheken

Venn Hypotheken is a Dutch offeror of consumer credit regulated by the Dutch Financial Markets Authority (“AFM”). It was incorporated in February 2015 and has been actively offering mortgage loans to Dutch families and individuals since March 2016. It is majority owned by NNIP, with ARA Venn owning a 25% share. The total loan book amounts up to EUR 1.5 billion (August 31, 2020).

¹ Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates as at 30 June 2020.