

For immediate release

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ABERDEEN STANDARD INVESTMENTS LAUNCHES FIRST PAN-EUROPEAN HOUSING FUND

Aberdeen Standard Investments has launched a European Residential Property Fund supported by cornerstone investor Pensioenfonds Metaal en Techniek (PMT) and its fiduciary manager, MN. Initial investments in excess of €350 million have been received from eight investors in The Netherlands, Switzerland, and Luxembourg.

The Fund is the first open-ended property fund of its kind to invest in the residential sector on a pan-European basis and will focus on the 'private rented sector' (PRS), taking advantage of low supply and high demand for quality rented residential property in Europe's leading cities. With further fund-raising planned, the Fund is intended to grow to above €1 billion over the next five years.

The team will buy existing private rental housing blocks and forward-fund the development of new stock to create a portfolio of good quality, sustainable middle-income residential property. Whilst PRS is the priority, 25 per cent of the total portfolio can be invested in other types of accommodation such as student housing, retirement and nursing homes. The Fund will target high standards of sustainability and will aim to achieve a minimum four star rating by the GRESB Real Estate Assessment, which is the industry measure of green performance.

The Fund will be managed by Marc Pamin based in Germany, supported by assistant fund managers Ed Crockett (in the UK) and Ole Tange (in Denmark), and a wider team of managers responsible for transactions, asset management and development. Together, they have a strong track record in the residential sector and wider European commercial real estate markets. The team have been investing in residential property since 1999 and have €5.2 billion invested or under construction in Europe.

Up to half of the total capital will be deployed in Germany, with the remainder invested across cities in western Europe, including the UK. The Fund will target a return of five to seven per cent (net of fees), with an income element of three to four per cent per year. Debt will not exceed 40% (loan to value) at a fund level, with a long term target leverage of 25%.

Aberdeen Standard Investments global co-head of real estate Pertti Vanhanen, said:

"The secure long-term rental streams provided by the private rented residential sector are a good opportunity for investors. In Germany approximately 50% of the population rents privately and the sector is an established asset class that saw €16 billion of investment in 2017. Denmark, Sweden, The Netherlands, Switzerland and France also have burgeoning rental markets.

"Rapid population growth in European cities means that supply of good quality rented accommodation is in great demand and this is driving a surge in investor appetite. By advance-funding some developments we will help meet that demand while providing accommodation that's of a decent standard, in locations where people want to live.

“In the UK, the rental sector is already valued at more than £1 trillion and will grow further, with private renting set to increase by around 24% by 2022. Historically the market has been dominated by individual private landlords, but professional investors and developers are now creating quality housing stock to advance the sector and meet the needs of tenants.

“The time is right for Aberdeen Standard Investments to launch this sort of fund. We now have the residential experience, a broad global real estate outlook, local market knowledge, and boots on the ground in 14 European offices to deliver a residential investment product targeting strong, stable returns.”

Ends

Media enquiries:

Jos Havermans

Stampa Communications

+31(0)20 404 2630

aberdeenstandard@stampacommunications.com

Notes to editors

- Aberdeen Standard European Residential Property Fund characteristics:
 - minimum client investment €3 million with a commitment of three years or more.
 - Target clients – pension funds and insurance providers.
 - Luxembourg domiciled open-ended vehicle.
 - Quarterly subscription/redemption.
 - Each property investment will be between €20-120 million.
 - Registered in Germany, Netherlands, Switzerland, Luxembourg, UK, Austria, France, Italy and Belgium, with plans for further countries.
- Aberdeen Standard Investments is Europe’s second largest real estate investment manager, managing £43.4 billion of real estate assets across UK, Europe and Asia. Our dedicated team of more than 280 real estate investment professionals manages more than 1,600 real estate assets worldwide, and are based in 18 global offices (including London, Edinburgh, Frankfurt, Paris, Stockholm, Copenhagen, Amsterdam, Hong Kong, Singapore and Boston) (at 31/12/17).
- We are high-conviction; long-term investors who believe teamwork and collaboration are the key to delivering repeatable, superior investment performance. We are resolute in our commitment to active asset management.
- Aberdeen Standard Investments is the asset management business of Standard Life Aberdeen plc, one of the world’s largest investment companies. With over 1,000 investment professionals we manage £575.7 billion of assets worldwide. We have clients in 80 countries supported by 50 relationship offices. This ensures we are close to our clients and the markets in which they invest (at 31/12/17).
- Standard Life Aberdeen plc is headquartered in Scotland. It has around 1.2 million shareholders and is listed on the London Stock Exchange. The Standard Life Aberdeen group was formed by the merger of Standard Life plc and Aberdeen Asset Management PLC on 14 August 2017.

Important Information

The value of investments, and the income from them, can go down as well as up and you may get back less than the amount invested. Past performance is not a guide to future results.

Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. We recommend that you seek financial advice prior to making an investment decision.

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