

LEGAL & GENERAL SELLS PRIME LONDON RETAIL ASSET FOR £25 MILLION

Legal & General, on behalf of its BMW (UK) Trustees fund ('the Fund'), announces that it has completed the sale of 36-46 St John's Road, Clapham Junction, a prime London retail asset, for £25m.

Sold off market to a pension fund investor and reflecting an initial net yield of 3.99%, the property comprises a multi-let retail parade with Waitrose, the anchor tenant, responsible for 66% of the income.

Fawcett Mead advised Legal & General on the sale of 36-46 St John's Road.

Rob Codling, Fund Manager at Legal & General, commented: "Against wider uncertainty related to Covid-19, the agreed price represented an exceptional opportunity for the Fund within a generally challenging retail market. The sale demonstrates that, in the current environment, retail cannot be viewed as a single sector, with some elements – like food stores – continuing to generate considerable interest. Following the sale and in line with its asset management strategy, the fund will now aim to reinvest the profits into further diversifying its portfolio in sectors more accretive to future performance".

As part of this strategy, the Fund recently marked the topping out of One Victoria Street in Windsor, a 44,000 sq. ft. wellness-focused Grade A office building featuring an indoor wellness and relaxation garden, roof terrace and entertainment space. Owned in 50:50 partnership with L&G's flagship UK Property Fund, contractors Bowmer + Kirkland are due to complete construction of the building in November 2020.

Codling continued: "As we look to create future value for the Fund, our investment at One Victoria Street will help boost job creation and stimulate the local economy, whilst providing an ideal base for companies working in the South East of England. This is a truly unique development, with views over Windsor Castle and Great Windsor Park, providing businesses with state-of-the-art facilities which will help drive employee, health, satisfaction and wellbeing."

Jonathan Mills, Director at Fawcett Mead, commented: "We are delighted to have completed successfully on this sale at an attractive exit price for Legal & General, clearly demonstrating the continued attractiveness of the foodstore market in an otherwise very uncertain environment. The fact that the property is majority let to a foodstore operator and pharmacy chain, both deemed as providing essential retail services, was undoubtedly a key driver for the transaction completing successfully. The property was sold off market to a pension fund investor who we had identified as having a specific requirement for an investment that matched the subject property's characteristics."

- Ends -

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Notes to editors**LGIM Real Assets**

LGIM Real Assets is a division of Legal & General Investment Management (LGIM), one of Europe's largest institutional asset managers and a major global investor. LGIM manages £1.2tn in assets (as at 31 December 2019), working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets has AUM of £30.8bn (as 31 December 2019) and is one of the largest private markets investment managers in the UK.

Investing in both debt and equity and across the risk/return spectrum, LGIM Real Assets actively invests in and manages assets across commercial, operational and residential property sectors, as well as infrastructure, real estate, corporate and alternative debt. Taking a long term view in order to future proof its investments, the business continues to lead the industry in ESG performance, considering all environmental, social and governance issues at asset level as well as portfolio level.

Legal & General Group

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With almost £1.2 trillion in total assets under management at 31 December 2019, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income. We have also invested over £25 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.