



EDMOND DE ROTHSCHILD REAL ESTATE INVESTMENT MANAGEMENT CLOSES £30 MILLION SUBSCRIPTION FROM A LEADING LGPS FOR INVESTMENT IN AFFORDABLE HOMES

Edmond de Rothschild Real Estate Investment Management, the Real Estate platform of the Edmond de Rothschild Group, announces that it has secured a £30 million commitment from Strathclyde Pension Fund into Funding Affordable Homes, a UK affordable housing fund.

Funding Affordable Homes invests in the UK affordable housing sector, with the objective of delivering an increase in the number of affordable homes, delivering positive social impact and providing attractive, stable and progressive returns to its investors. Helping to address the UK housing crisis, the Fund's portfolio (valued at £133.9 million at 30th September 2022) currently comprises 768 existing homes across 10 projects, offering affordable homes to up to 1,300 people across the UK.

There are 1.6 million households (an estimated 3-4 million people) on housing waiting lists in the UK¹ with 278,000 households being statutorily homeless². Whilst affordable housing completions have been increasing, over 60,000 are needed every year³ – a level that has only been reached twice in the last 25 years⁴. With the UK population continuing to grow (it is expected to increase by c.3 million in this decade, surpassing 70 million by 2031⁵), a step change of affordable housing completions is required to address the supply-demand imbalance.

Funding Affordable Homes is an Article 9 “dark green” fund under SFDR classification and aims to deliver positive, tangible social impact through investment into, and development of, homes across the spectrum of affordable rent and ownership tenures. Working closely with The Good Economy, a leading specialist in impact measurement and management, the Fund follows an impact-focused strategy, with investments and developments having to deliver both appropriate financial returns and tangible, positive social impacts for its residents and the relevant local communities.

Edmond de Rothschild REIM expects to grow the Fund to more than £500 million, delivering 2-3,000 much needed affordable homes across the UK. It benefits from an experienced, specialist residential team and its broader vertically-integrated residential platform, which also includes private rental strategies across the UK.

¹ NHF, People in Housing Need, 2020

² DLUHC Live Tables, 2022

³ Savills - Building Through The Cycles, 2018

⁴ DLUHC Live Tables, 2022

⁵ ONS, Population Forecasts, 2020

Ian Jamison, Investment Manager at Strathclyde Pension Fund, said: *“We are delighted to be able to provide a commitment to the Funding Affordable Homes strategy and to contribute towards the development of additional, much-needed affordable homes in the UK while also benefitting from attractive long-term returns for our pension members. We were attracted to the track records and complementary expertise of the teams at Funding Affordable Homes and Edmond de Rothschild and are looking forward to working with them and potential other investors as the fund grows.”*

Tim Holden, Head of Residential UK at Edmond de Rothschild REIM, said: *“We are pleased to welcome Strathclyde Pension Fund into the Funding Affordable Homes Fund. The commitment is a significant step in the growth of the Fund and affirms our conviction that the UK residential sector continues to offer attractive opportunities for long-term investors seeking to achieve appropriate financial returns whilst delivering meaningful social impact by helping to alleviate the UK housing market shortage. We are continuing our efforts to secure further capital from domestic and international institutional investors to help deliver more homes for residents and local communities across the UK.”*

Adrian D’Enrico, Fund Manager, Affordable Housing at Edmond de Rothschild REIM, added: *“This is a positive step in the growth of Funding Affordable Homes and confirms our conviction that affordable housing offers a compelling opportunity for long-term investors such as UK institutions. With an acute affordable housing shortfall, there is an increasing acceptance that private capital can help deliver much needed new homes, whilst delivering long-term, inflation-aligned income streams. We look forward to swiftly deploying the newly committed capital against our strong pipeline of opportunities and further growing the Fund for the benefit of investors and residents alike.”*

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Funding Affordable Homes SICAV SIF S.A. is reserved exclusively to professional and other well-informed investors as defined under Luxembourg law and might come with restrictions for certain persons and in certain countries.

The fund does not guarantee or protect the capital invested, so investors may not recover the full amount of their initial capital invested even if they retain their units for the recommended investment period.

Any investment in the fund involves exposure to certain risks and not limited to liquidity risk, concentration risk (Real Estate investments) and currency risk.

Any investment in Funding Affordable Homes SICAV SIF S.A. may in any event only be made on the basis of documents and information that comply prevailing regulations.

ABOUT EDMOND DE ROTHSCHILD REAL ESTATE INVESTMENT MANAGEMENT

With CHF 13 billion in real estate assets, the Edmond de Rothschild real estate investment management platform operates through local operating entities in Switzerland, France, the UK, Benelux and Germany. Backed by strong convictions in responsible investment, active management and close proximity, a vast European network of 100 professionals develop and support real estate projects in the office, industrial, logistics and residential sectors.

ABOUT THE EDMOND DE ROTHSCHILD GROUP

Inspired by the conviction that wealth should be used to build the world of tomorrow, Edmond de Rothschild is an investment house specialising in private banking and asset management, serving an international clientele of families, entrepreneurs and institutional investors. The Group is also active in the areas of corporate finance, private equity, real estate and fund services. With its consistently family-managed character, Edmond de Rothschild has the independence necessary to propose bold strategies and long-term investments rooted in the real economy. Founded in 1953, the group now has CHF 168 bn of assets under management, 2,500 staff and 32 locations around the world.

Press contact:

EDMOND DE ROTHSCHILD

Florence Gaubert: +41 79 340 07 26 - f.gaubert@edr.com