

News Release

Schroders to invest £28 million in UK care homes

01 February 2013

Schroders is today pleased to announce the agreement for Schroder UK Property Fund (SPF) to fund the development of five new care homes in Suffolk for c. £28 million with Care UK, one of the leading providers of health and social services in the UK. Subject to planning permission, Schroders will acquire the freehold sites in Framlingham, Haverhill, Mildenhall, Lowestoft and Ipswich. It is proposed that the sites will be redeveloped as 60 or 80 bed residential care homes with Care UK taking a 30 year indexed lease to operate them.

This funding agreement follows the 25 year contract Care UK entered into with Suffolk County Council, in November 2012, to outsource the Council's elderly care provision. The Council's requirement for beds within the homes will largely underpin the future income.

Ian Mason, Fund Director of Schroder UK Property Fund, commented:

"This agreement complements our existing strategy allocation to non-mainstream sectors. We have built deliberate positions in areas such as leisure, student accommodation and car showrooms where we can get sustainable, above average yields with growth built in. The key to investing in these sectors is to fully understand the tenant's business and to set rents at an affordable level.

"We are not afraid to challenge the status quo of benchmarks when we see risks at the prime end of the traditional sectors. We believe there is value in care homes because the driver of growth is principally the UK's changing demographic profile. They are far less vulnerable to the fluctuations of the economy, or the impact of the internet."

Deloitte Real Estate advised Schroders. Colliers International advised Care UK.

-ends-

For further information, please contact:

Estelle Bibby, Institutional PR, Schroders
+44 (0)20 7658 3431 / +44 (0)7770 496163
estelle.bibby@schroders.com

Note to Editors:

For trade press only

Schroder UK Property Fund (SPF)

Schroder UK Property Fund (SPF) is a £1.2 billion diversified fund investing in UK commercial property. It is regulated by the Financial Services Authority and available to professional investors.

The Schroder UK Property Fund is authorised by the Financial Services Authority (the "FSA") as a Qualified Investor Scheme ("QIS"). Only investors that meet the requirements for eligibility to invest in a QIS, as specified in COLL 8, Annex 1 of the FSA's Handbook, may invest in Schroder UK Property Fund. A QIS may not be promoted to a member of the general public.

Schroder Property

Schroders has managed property funds since 1971 and currently has £10.4 billion (EUR 12.8 billion / US\$16.7 billion) of gross property assets under management (at 30 September 2012).

All of the property funds referred to are unauthorised collective investment schemes as defined in the Financial Services and Markets Act 2000. Promotion of these funds is restricted and access to full information about these funds is only available to those exempt from the restriction.

For further information about Schroders' property business visit www.schroderproperty.com

Schroders

Schroders is a global asset management company with £202.8 billion (€254.5 billion, \$327.4 billion) under management as at 30 September 2012. Our clients are major financial institutions including pension funds, banks and insurance companies, local and public authorities, governments, charities, high net worth individuals and retail investors.

Further information about Schroders can be found at www.schroders.com or on Schroders Talking Point www.schroders.com/talkingpoint.

Schroder Property Investment Management Limited and Schroder Investment Management Limited are authorised and regulated by the Financial Services Authority.

Issued by Schroder Property Investment Management Limited. Registration no. 1188240 England.