

13 July 2021

## AEW UK Real Return Fund acquires four London pre-school nurseries for £13.7m

AEW UK Real Return Fund (AEW) is pleased to announce the acquisition of a portfolio of four London pre-school nurseries for a total of £13.7m, reflecting a net initial yield of 5.25%.

The nursery portfolio was acquired on a sale and lease back to the Three Little Birds Nurseries, a leading provider of independent nurseries across London and are let on 25-year leases with annual inflation linked reviews.

The nurseries have recently been refurbished or extended to a very high standard and are located in affluent and densely populated, family-oriented London suburbs, with excellent transport links and local amenities in West Finchley, Muswell Hill, Winchmore and Wandsworth.

Three Little Birds are an established and well-regarded independent childcare provider. They are a growing regional group with 10 nurseries and an additional site in the pipeline.

**Edward Long, Director at AEW commented:** “We are pleased to have acquired a portfolio of four preschool nurseries, located across London, let to Three Little Birds Nurseries. Like most sectors, operationally, children’s day nurseries have been impacted by the current global pandemic caused by COVID-19, although, deemed a key industry throughout the pandemic, many stayed open during the various national lockdowns offering childcare to key workers’ children. Despite the operational challenges facing the sector at present, demand for good quality settings is still strong. Looking forward there is confidence that post the pandemic, there should be continued demand from parents for formal childcare, albeit, perhaps on a more flexible basis, to work with the changing demands of a more flexible ‘working from home’ nation. We look forward to working with Three Little Birds to provide excellent childcare locations for the local communities and long-term, inflation linked returns for our investors.”

Knight Frank acted on behalf of AEW and Gerald Eve acted on behalf of the vendor.

-ENDS-

## Notes to editors

### AEW

AEW is one of the world's largest real estate asset managers, with €72.8bn of assets under management as at 31 March 2021. AEW has over 770 employees, with its main offices located in Boston, London, Paris and Hong Kong and offers a wide range of real estate investment products including comingled funds, separate accounts and securities mandates across the full spectrum of investment strategies. AEW represents the real estate asset management platform of Natixis Investment Managers, one of the largest asset managers in the world.

As at 31 March 2021, AEW managed €35.7bn of real estate assets in Europe on behalf of a number of funds and separate accounts. AEW has over 430 employees based in 9 offices across Europe and has a long track record of successfully implementing Core, Value-Add and Opportunistic investment strategies on behalf of its clients. In the last five years, AEW has invested and divested a total volume of €23.9bn of real estate across European markets.

[www.aew.com](http://www.aew.com)

### AEW UK Investment Management LLP

AEW UK Investment Management LLP employs a well-resourced team comprising 26 individuals covering investment, asset management, operations and strategy. It is part of AEW Group, one of the world's largest real estate managers, with €72.8bn of assets under management as at 31 March 2021. AEW Group comprises AEW SA and AEW Capital Management L.P., a U.S. registered investment manager and their respective subsidiaries. In Europe, as at 31 March 2021, AEW Group managed €35.7bn of real estate assets on behalf of a number of funds and separate accounts with over 430 staff located in 9 offices. The Investment Manager is a 50:50 joint venture between the principals of the Investment Manager and AEW. In May 2019, AEW UK Investment Management LLP was awarded Property Manager of the Year at the Pensions and Investment Provider Awards.

[www.aewuk.co.uk](http://www.aewuk.co.uk)

### AEW UK Real Return Fund

AEW UK Real Return Fund (RRF) is a secure income strategy which seeks to provide contract backed cashflow, inflation protection and capital preservation. The strategy targets a 4% p.a. total real return (net), a 5% p.a. gross portfolio yield and inflation-linked income growth, together with capital preservation, in real terms, by building a portfolio based on the strong property fundamentals of this real asset class. As at 30 June 2021, the RRF has an annualised distribution yield of 4.8%, with 89% of income linked to inflation or fixed increases and a WAULT of 17.4 years to expiry and with over 40% of the portfolio invested in social sectors and a net asset value of £147.4m.

[www.aewuk.co.uk](http://www.aewuk.co.uk)

### Three Little Birds Nurseries

Three Little Birds Nurseries, founded in 2019, are an established and well-regarded independent childcare provider. The growing group of ten nurseries, all based in London and with an eleventh in the pipeline, strive to provide outstanding childcare and education - the happiness and wellbeing of children, families and staff is at the heart of the Group's ethos.

### Disclaimer

This communication cannot be relied upon as the basis on which to make a decision to invest in the Company. This communication does not constitute an invitation or inducement to subscribe to any particular investment.

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