

News Release

Schroders and Civitas successfully complete £192m final close for UK social impact strategy

Pioneering high social impact development fund will build £300m of new supported living properties

Schroders Capital and its partner Civitas Investment Management (“CIM” or “Civitas”) are pleased to announce the third and final closing of their Social Supported Housing Fund (“SoHo” or the “Fund”) with aggregate equity commitments of £192m.

The capital for this private, UK, closed-end limited partnership was raised from investors located in the UK, US and Singapore. Investors included public and private pension funds, insurance companies, charitable foundations and family offices, with several contributing from specific impact investment allocations.

The Fund’s social impact strategy will help alleviate a pressing social issue in the UK by contributing exclusively to the supply of newly built social supported housing to ease the considerable shortfall in the provision of these properties. The strategy will forward-fund the development of new specialist supported housing units in the UK, purpose-built to provide safe, lifelong homes for adults with significant physical and mental health conditions.

The Fund’s properties enable residents to receive dedicated, high-quality care in the heart of their communities, close to their families in safe accommodation that has been specifically designed to meet their individual needs.

Schroders Capital has been investing in UK real estate for over 50 years and incorporates sustainability and social impact into every asset plan. It takes pride in its ability to provide investors with innovative ways of tackling social and environmental challenges that achieve a

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lasting positive impact without sacrificing attractive financial returns. SoHo is a prime example of this philosophy in action.

CIM, is a leading impact investment manager with £2.5bn of committed capital exclusively devoted to social impact projects. Among its mandates, CIM founded and acts as investment adviser to the listed FTSE250 REIT, Civitas Social Housing PLC.

In the SoHo strategy, CIM oversees the development of the properties, drawing on its extensive in-depth experience of providing high-quality supported housing for vulnerable adults with significant care needs.

Planning consent is secured ahead of any investment and assets are pre-let on a long-term basis with specialist housing associations and designed for the long-term provision of bespoke adapted homes. Funding is sourced ultimately from central government as part of the commitment to support vulnerable adults to live within their own communities.

There is clear evidence to show that living in the community close to family and friends results in significantly better physical, mental and social outcomes for residents than institutionalisation or long-term hospitalisation. Moreover, this type of specialist supported housing also provides better value for the taxpayer. The 2018 report by Mencap, 'Funding Supported Housing for All', found that specialist supported homes such as these cost 11% less than registered care homes and 55% less than in-patient alternatives.

Robin Hubbard, Head of Real Estate Capital at Schroders, commented:

"We are delighted to have raised almost £200 million for Schroders' first social impact real estate development strategy. This follows on from the successful IPO of the Schroder BSC Social Impact Trust PLC in the public market at the end of last year. With leverage the Fund will have over £300m of capital to invest of which more than £150m is already invested or committed to projects.

"This success highlights investors' interest in Schroders and Civitas' capabilities in this field and that impact has risen up investors' agendas over the last year, not just in the UK but globally, as fiduciaries as well as their underlying beneficiaries and policyholders seek social and environmental returns alongside financial targets.

"Prominent investors with an impact focussed commitment include The Church Commissioners for England and Jonathan Rose, a highly respected developer of innovative housing communities in the US, through his Lostand foundation."

Andrew Dawber, Group Director at Civitas Investment Management Limited, commented: *"This final closing is a major milestone for CIM's partnership with Schroders. SoHo's prime objective is creating new specialist property supply for some of the most vulnerable individuals in society and with 11 schemes already operational and another 50 in the pipeline, the Fund looks set to generate genuine 'additionality', alongside an attractive risk-adjusted return.*

"We are delighted to welcome new investors to the Fund and believe that despite the challenges associated with investors undertaking on-site due diligence during the ongoing pandemic, the considerable demand reflects the attractiveness of this asset class and its

positive social impact credentials to institutional investors. CIM and Schroders are firm believers in the power of private capital to influence and deliver positive changes to society.”

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Note to Editors

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<http://ir.schroders.com/media>

Schroders Capital

Schroders Capital is a business built to provide investors with access to a broad range of private asset investment opportunities, portfolio building blocks and customised private asset strategies. Its team has been operating in private markets for over two decades, focusing on delivering best-in-class, risk-adjusted returns and executing investments through a combination of direct investment capabilities and broader solutions in all private market asset classes, through comingled funds and customised private asset mandates. The team aims to achieve sustainable returns through a rigorous approach and in alignment with a culture characterised by performance, collaboration and integrity.

With over \$66.5 billion* assets under management, Schroders Capital offers a diversified range of investment strategies, including real estate, private equity, secondaries, venture capital, infrastructure, securitised products and asset-based finance, private debt, insurance-linked securities and BlueOrchard (Impact specialists).

***Assets under management as at 30 June 2021**

Schroders plc

As a global active asset manager, the way we direct capital not only shapes the financial returns we achieve for our clients but also the impact that the companies in which we invest on their behalf might have on society. The relationship between these two outcomes has

rapidly evolved as we see a fundamental shift in how companies are viewed and valued. Understanding the impact that they can have on society and the planet is crucial in assessing their ability to deliver risk-adjusted profits.

Our ongoing success is built on a history of experience and expertise, whereby we partner with our clients to construct innovative products and solutions across our five business areas consisting of Private Assets & Alternatives, Solutions, Mutual Funds, Institutional and Wealth Management and invest in a wide range of assets and geographies. By combining our commitment to active management and focus on sustainability, our strategic capabilities are designed to deliver positive outcomes for our clients.

We are responsible for £700.4 billion (€815.8 billion/\$967.5 billion)^[1] assets of our clients, managed locally by 42 investment teams worldwide. As a global business with over 5,500 talented staff across 35 locations, we are able to stay close to our clients and understand their needs. We have over 200 years of experience in investment and innovation

Further information about Schroders can be found at www.schroders.com.

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Civitas Investment Management Limited ('CIM')

Civitas Investment Management Limited ('CIM') is a leading impact investment manager that is dedicated to achieving long-term sustainable returns for the Group's global investors by acquiring community-based healthcare facilities and social housing assets that deliver positive social outcomes. CIM's investments are supported by national governments and local municipalities that are themselves seeking to bring about positive societal change. CIM has a committed AUM of approximately £2.5 billion with a target to increase to £4+ billion over the next two to three years following the build out of client mandates (<http://www.civitasim.com/>).

Among other impact investment ventures, CIM is the investment adviser to, and founder of the London listed Civitas Social Housing PLC ("CSH"), the first dedicated London listed REIT to raise long-term sustainable, institutional capital to invest in care-based social homes and healthcare facilities across the UK. So far CIM has, on behalf of CSH, completed more than 120 individual transactions to build the largest portfolio of its kind in the UK that has been independently valued at £915.6 million as announced in its recent Annual Report and Accounts for the year ended 31 March 2021 (<https://www.civitasocialhousing.com/>).

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^[1]As at 30 June 2021.