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Moorfield Group

20 June 2017

MOORFIELD AUDLEY REAL ESTATE FUND RAISES ADDITIONAL £85 MILLION

The Moorfield Audley Real Estate Fund (MAREF) has successfully raised a further £85 million from existing investors to take the total raised to £285m.

Moorfield Group, the UK real estate private equity fund manager, created MAREF to acquire Audley, the leading UK retirement village developer and operator, in December 2015.

Audley, one of the UK's fastest growing companies, is the UK's market leading luxury retirement village provider and is ramping up for a period of significant and sustained growth. This latest fund raising round creates a total war chest of over £700m to be invested over the next five years, drawn from a combination of equity, development income and investment debt.

To date, the fund has attracted institutional investors from the US and continental Europe, and this new funding will support the acquisition and development of new Audley Villages in key locations, as well as sites for its new mid-market proposition, Mayfield Villages. Investors have been attracted to Audley's vision of creating a best-in-class product, differentiated from its competitors in many ways and not least by its innovative business model, with Audley both developing and operating the villages.

As well as the 15 villages that sit under the Audley Villages brand, which when completed will provide at least 2,000 units nationwide, 500 units are currently planned at future Mayfield Village sites.

Marc Gilbard, Moorfield Group CEO, said: "Over the nine years we have worked with Audley we have seen that a strong management team, premium design and ambitious growth plans have led to the business being a significant success story. The retirement living sector has become one of the biggest growth areas in UK real estate. We decided to raise the additional

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capital from our present investors in the fund and we are very pleased to have reached our target.

“The new capital will give Audley the opportunity to acquire new sites, develop existing sites and allow the expansion of the business. We continue to expect to see a strong return for our investors as Audley capitalises on the clear demand for quality living options for the older generation in the UK.”

Nick Sanderson, Audley CEO said: “This latest round of fundraising further underlines what we at Audley and Moorfield have known for some time; retirement living in the UK is a growth market, principally as a result of the significant shortage of retirement housing and growing demand is now vastly outstripping supply. Market penetration is less than 1% in the UK, compared with 17% in the USA, and 13% in Australia and New Zealand.

“This new investment will allow us to explore new sites for both the Audley and Mayfield brands, delivering the products and services that our customers demand. We are a profitable business with a robust balance sheet. Our vision is to continue transforming the market by providing choice and high quality housing, and investment such as this will allow us to maintain our heritage of innovation and realise this vision.”

Audley’s brands serve two distinct audiences. Audley Villages is the luxury retirement brand, delivering a first class experience and award winning design to owners. Typically, heritage properties are adapted to incorporate existing features from the original buildings, bringing them back to life by turning them into modern, high specification houses, apartments and communal spaces, akin to a boutique hotel. Owners also benefit from access to luxurious Audley Club facilities which include a restaurant, bar/bistro, library, a health and wellbeing centre and swimming pool. All owners can also take advantage of the highest quality care in their own home.

Responding to customer demand, Audley last year launched Mayfield Villages, a mid-market proposition for which the first location will be announced shortly. The premise behind Mayfield is to offer the same level of service as Audley Villages, with high living standards and excellent care, but at a lower price point. These will be larger villages, typically in urban/suburban environments.

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Audley was ranked 73rd in the 2016 Sunday Times Virgin Fast Track 100 league table of the UK's fastest growing private companies by sales growth over the past three years, and CEO Nick Sanderson was 8th in the 2016 Health Investor Power Fifty Most Influential Leaders' Awards. He was also handed the inaugural Pathfinder Award for innovation in healthcare at the same ceremony.

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About Moorfield Group (www.moorfield.com)

Moorfield is a UK real estate investment specialist with a 21 year history and track record of investing across a broad range of established and emerging real estate sectors. It currently has c. £2bn under management and has raised c.£1.2bn since 2005 via its value-add MREF funds and its dedicated senior housing platform MAREF. Two of the three MREF funds have now been realised and MREFIII is substantially committed. MAREF acquired Audley, the leading UK retirement village developer and operator in December 2015, and will provide Audley with further capital to grow.

Moorfield is a proactive asset, operational and financial manager of both traditional and alternative real estate with significant experience in managing and repositioning multifaceted investments. The MREF funds make investments both directly and indirectly through corporate vehicles and joint ventures. Assets are either acquired with a view that they will be sold individually once the business plan has been achieved or as part of creating portfolios and platforms to enhance returns. Moorfield also supports entrepreneurial management teams that want to grow their real estate backed businesses or that want to take specific advantage of market opportunities.

About Audley

Founded in 1991, Audley has since established itself as a pioneer in the provision of high quality retirement living. The first Audley village was built fifteen years ago in Kent and today Audley owns a portfolio of fifteen across the country, and manages two more. Audley owners buy their own house or apartment on a 125 year lease with access to the Audley Club facilities and flexible care if needed, enabling them to live an independent and healthy life. Audley is an accredited provider of homecare and a founder member of The Associated Retirement Community Operators, ARCO.

www.audleyretirement.co.uk