
VENN PARTNERS LEADS INAUGURAL RMBS ISSUANCE OF UK SHARIA-COMPLIANT HOME PURCHASE PLANS ORIGINATED BY ITS AFFILIATED OPERATING PARTNER, STRIDEUP

GBP300 million Sharia-compliant transaction structure is a market-first by a non-bank which should help to increase funding to the home-ownership market for the UK's Muslim community

United Kingdom, 4th November 2025 - Venn Partners LLP ("Venn"), a specialist investment manager of residential loan and credit products is pleased to announce the completion of Meridian Funding 2025-1 ("Meridian 1").

The publicly-placed transaction provides funding for regulated home purchase plans (HPPs) to households seeking home-ownership in a Sharia-compliant way. The customer jointly owns the property, paying monthly rent and acquiring greater equity in the property until they own it outright, without the need for interest. The average financing size per customer in the portfolio is expected to be c. GBP260,000 and hence the transaction will have supported more than 1,100 households.

The HPPs are originated and serviced by StrideUp, an affiliated operating partner of Venn and independently regulated by the FCA. Venn acts as investment manager to the investors in the strategy, including the provision of capital markets services to the transaction.

The Meridian 1 financing transaction is both self-contained (meaning, for example, that any variability of payments is hedged within the structure) and structured to be Sharia-compliant, making it a market-first in the UK. This opens up the possibility for it to be used by non-bank originators, and hence to be an asset class that institutional investors can directly allocate into, according to Gary McKenzie-Smith, Venn's Managing Partner.

The transaction is Venn's first RMBS issuance in the UK market and complements its existing bond issuance programs which have funded close to GBP4 billion of lending into the affordable housing and build-to-rent sectors in the UK. More broadly, the deal reinforces Venn's standing as a specialist manager of private capital into the residential sector, and with a particular focus on strategies which deliver a social or environmental impact.

The deal was rated by Fitch and DBRS, who assigned an AAA rating with a 9.2% credit enhancement and investment grade ratings with a 3% credit enhancement, speaking to the quality of the lending criteria and underwriting – and which was also reflected in the pricing of the deal, with the Class A notes attracting a spread of 85bps over SONIA.

Whilst Venn continues to raise capital for this strategy, StrideUp is already originating new HPPs for its next transaction in the Meridian series and also has a roadmap to roll-out other Islamic finance products in the UK.

Gary McKenzie-Smith, Managing Partner of Venn, commented: "We are delighted with the outcome of the transaction. As well as establishing access to competitively priced funding for this important market, it supports our broader thesis to identify under-served markets within the residential sector which are scalable, well-regulated and of investment-grade quality whilst still able to deliver attractive returns to private capital investors both in absolute terms and on a risk-adjusted basis."

Charles Pouyet, Managing Director at Venn, commented: "The transaction is a market first and the first public UK RMBS with Sharia-compliant features such as Profit Rate Swaps and Murabaha deposits. Months of teamwork with StrideUp and our financing partners and advisers, together with the support from investors, have led to this innovative transaction of which we are very proud. We look forward to the next transaction and a successful Meridian RMBS shelf, always focused on delivering the best Sharia-compliant products to StrideUp's customers."

Sakeeb Zaman, CEO of StrideUp, commented: "With the growing availability of Islamic Finance in the UK, Muslims no longer have to choose between their financial aspirations and their faith. This deal lays the foundations for a programme of issuance, further fuelling the growth of Islamic Finance, and establishing an attractive pricing benchmark – which ultimately flows through to better products for our end customers. We look forward to working with Venn on future transactions in this rapidly scaling market opportunity."

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About Venn:

Venn (the trading name of Venn Partners LLP) (“the Firm”) is a specialist investment manager of residential lending and credit strategies in the UK and select European jurisdictions. Founded in 2009, the Firm has assets under management and active mandates totalling over GBP10 billion. With offices in the UK, and an affiliate office in the Netherlands, Venn comprises a team of experienced professionals that pull together credit origination, underwriting, liability structuring and risk management skills with a deep understanding of investor and borrower requirements.

Venn is part of the ESR Group, a leading Asia-Pacific real asset owner and manager focused on logistics real estate, data centres, and energy infrastructure that power the digital economy and supply chain for investors, customers, and communities.

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