



PENSION INSURANCE
CORPORATION

PIC INVESTS £63 MILLION IN SWANSEA UNIVERSITY'S "BAY CAMPUS"

London, 2 February 2018 – Pension Insurance Corporation plc ("PIC"), a specialist insurer of defined benefit pension funds, has completed a £63 million debt investment with leading student accommodation provider, University Partnerships Programme ("UPP"). The bond will fund UPP's acquisition and operation of over 2,000 student bedrooms on Swansea University's "Bay Campus". This is the fourth time PIC has provided funding to UPP, following two previous investments in student accommodation at the University of London¹ and one with the University of Kent². This takes PIC's total investment with UPP to over £300 million.

The debt, which is long-dated, inflation linked, secured and rated investment grade, provides a good match for PIC's pension liabilities.

Key points of the transaction:

- Funding UPP's acquisition and operation of over 2,000 student bedrooms on Swansea University's new science and innovation facility "Bay Campus", in South Wales
- £63 million in size, split across two tranches of around £45 million and £18 million
- The maturity profile is sculpted to match PIC's pension cashflows, with the larger tranche maturing in 2062 and the smaller one in 2054
- The larger tranche of the debt benefits from an underwritten amount by the University of Swansea and ranks senior to the smaller tranche

UPP is the leading provider of on-campus student accommodation infrastructure and support services in the UK. The student bedrooms are being acquired by UPP from FTSE 250 developer St Modwen Properties plc.

Swansea University is rapidly growing and has invested heavily in its new “Bay Campus” as part of its growth strategy. All rooms are newly constructed and fully operational and are the only student residential accommodation within the flagship science and innovation block. The development of “Bay Campus” is expected to support the local economy, given its focus on highly demanded disciplines such as engineering and mathematics.

Sean O’Shea, Group Chief Executive Officer at UPP said: “We are delighted to have completed this transaction with Pension Insurance Corporation which allows us to embark on a truly exciting partnership with Swansea University. Our new partnership with Swansea University will help facilitate its ambitious plans and support its long-term vision to enhance its position as a world-class educational establishment for the benefit of students, staff and the local community for generations to come. We are excited to be providing homes for the tech entrepreneurs, engineers and scientists of the future.”

Florence Carasse, Debt Origination Manager at Pension Insurance Corporation, said: “We are pleased to have worked closely with UPP to provide this tailored project financing structure. This long-term debt investment will support Swansea University in sustaining its rapid growth and its recent expansion with the flagship “Bay Campus”. We are proud to support the student population and local community in this way, while providing our policyholders with financial security.”

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Notes to Editors:

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1 – PIC previously provided around £87 million of funding for UPP’s construction of Duncan House in Stratford and around £114 million for the redevelopment of 1,200 rooms in Garden Halls, both with the University of London.

2 – PIC provided around £41 million of bond debt to UPP for student accommodation at University of Kent’s Turing Hall.

About Pension Insurance Corporation

Pension Insurance Corporation plc (“PIC”) is a leading provider of buy-ins and buyouts to the trustees and sponsors of UK defined benefit pension schemes. At half year 2017, PIC had insured 145,400 pension fund members and had £24.2 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension schemes. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit www.pensioncorporation.com

About UPP

University Partnerships Programme (UPP) is the leading provider of on campus student accommodation infrastructure and support services in the UK. We have around 35,000 rooms under management or in construction through long term partnerships with 16 leading UK universities. With over 800 employees, we work to deliver the very best student experiences, together with great universities.

We offer bespoke partnerships of typically 40 to 50 years which enable universities to make the most effective use of their assets, free up resources and improve services available to students. We design and develop high quality, affordable student accommodation on campus. Our innovative approach means our interests are aligned with those of each university partner.

Founded in 1998, we have since invested in excess of £2.5 billion in universities across the UK. We have established a long term growth strategy to ensure we remain well positioned to meet the growing demand for investment within the UK’s higher education sector, whilst at the same time helping our partners achieve their long term ambitions. In 2013, we outlined a

five-year growth plan in which we aim to invest a further £1 billion in delivering the very best student experiences, as well as expand our portfolio to more than 40,000 rooms.

In 2013, UPP made its debut £382.1 million public bond issuance. With a multicurrency programme size of £5 billion, the issuance was the first of its kind within the sector and illustrates our ongoing ambition to bring long term institutional investment to higher education in the UK. In 2014, UPP launched a further tranche of £149.7 million index linked senior secured notes under its investment grade programme.