



PENSION INSURANCE
CORPORATION

PIC INVESTS FURTHER £125 MILLION IN UNIVERSITY OF EXETER

London, 10 January 2019 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, has completed a further £125 million investment with University Partnerships Programme (“UPP”), the UK’s leading provider of on-campus residential and academic accommodation infrastructure. The investment will allow UPP to design, build, fund and operate 1,182 high-quality and affordable bedrooms for the University of Exeter, one of the UK’s top universities.

This deal follows a £37 million investment by PIC in 2018 to fund UPP’s development of 382 new student bedrooms for the University of Exeter’s Moberly and Spreytonway projects. To date, PIC has invested £1.2 billion in the university sector around the country.

This transaction marks the sixth time that PIC and UPP have worked together on a bilateral basis, taking the total PIC has invested directly in UPP schemes to circa £530 million. Previous investments have included accommodation at Swansea University, the University of London and the University of Kent. In total, PIC’s investments with UPP have helped fund the development of over 6,000 student rooms across the country.

Key points of the transaction:

- Long-dated, inflation-linked loan, maturing in 2066
- Regular, stable, long-term cashflows, which are a good match for PIC’s pension liabilities
- Delayed drawdown structure, to match the construction programme and reduce interest costs for the borrower

The University of Exeter is one of the UK's top universities, combining world-leading research with very high levels of student satisfaction. According to the 2018 Times and Sunday Times Good University Guide, it is one of the UK's most popular and successful universities, and is a member of the highly reputable Russell Group. It has campuses in Exeter, Devon and near Falmouth in Cornwall.

Richard Bienfait, Group Chief Executive Officer at UPP, said: "We are delighted once again to be working with PIC who are a reliable and flexible partner for us and have demonstrated a clear commitment to the higher education sector and its need for high-quality facilities."

Florence Carasse, Debt Origination Manager at Pension Insurance Corporation, said: "This investment is another step in our long-term relationship with UPP, which has seen us invest in some of the leading universities in the UK. The emphasis we have in our portfolio is to ensure the cashflows are secure and will be there to meet our pension liabilities. We therefore always seek to invest in high-quality institutions and to work with knowledgeable and experienced partners, like UPP."

- ends -

Notes to Editors:

For further information please contact:

Pension Insurance Corporation Jeremy Apfel +44 (0)20 7105 2140
apfel@pensioncorporation.com

Teneo Anthony Silverman +44 (0)20 3757 9231
Anthony.Silverman@teneo.com

About Pension Insurance Corporation

The purpose of Pension Insurance Corporation plc ("PIC") is to pay the pensions of its policyholders. PIC provides secure and stable retirement incomes through leading customer service, comprehensive risk management and excellence in asset and liability management. At half-year 2018, PIC had insured 162,800 pension scheme members and had £27.9 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of U.K. 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 UK's leading provider of on-campus residential and academic accommodation infrastructure.

UPP has over 35,000 rooms in operation or under construction through long-term, bespoke partnerships with 15 world-leading universities. With over 800 employees, since 1998 UPP has invested well over £2.5bn in the UK higher education sector and provided homes to over 310,000 students.

UPP create bespoke, long-term partnerships which enable universities to make the most effective use of their assets, free up resources and improve student services. UPP funds, designs, develops and operates high-quality and affordable accommodation on campus and delivers the very best student experience in partnership with universities.

UPP's unique partnership approach enables our university partners to develop their estates whilst reinvesting in their core services of teaching and research. UPP funds, designs and builds new on-campus residential and academic accommodation infrastructure, complete estate transfers and operate facilities over the long-term.

UPP's transactions are typically undertaken on a demand-risk-transfer basis through a non-recourse approach, with the asset returning to the university in an agreed condition at the end of the concession. The company encourages its partners to take an equity share in the project company so that both parties benefit from the successful delivery and performance of the accommodation, with interests aligned over the life of the partnership.