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LEGAL & GENERAL SECURES EXETER UNIVERSITY DEAL FOR £76M

LGIM Real Assets (Legal & General) announces that it has acquired five student accommodation blocks and a high-quality Academic Facility at Exeter University for a total consideration of £76m.

The UK boasts many of the best universities in the world and has one of the world's strongest higher education systems. Attracting international students and academic talent, the higher education sector remains vital to the long-term prosperity of the UK economy. In order to support this strong demand from students, modern purpose-built accommodation and teaching facilities which complement each other are an essential part of a first class education experience.

LGIM Real Assets has bought these assets on behalf of two separate Funds as part of a joined up approach to satisfy its wide ranging investor needs across its fund management platform.

Student accommodation

The student accommodation blocks have been acquired by Legal & General's UK Property Fund for £49.6m, representing an initial yield of 5.78%. Let to INTO University of Exeter on a 35 year lease, the student accommodation totals 517 rooms comprising a combination of 160 studio rooms, 355 en-suite cluster rooms and two staff rooms across five blocks. The accommodation is just a short walk from the main University campus, to the North of the main University buildings.

INTO Academic Facility

Legal & General's LPI (Limited Price Inflation) Income Property Fund has bought the INTO Academic Facility at Exeter University for £26.4m. The property lease is guaranteed by the University of Exeter and is for a term of 30 years. The 36,000 sq ft teaching facility is located right at the heart of the Exeter University Campus and is a modern, bespoke, high-specification building.

Matt Jarvis, Fund Manager of the Legal & General UK Property Fund, said: "The quality of accommodation and teaching facilities represents a large factor for students when deciding where they want to go to University. We believe that quality facilities help to provide a quality education and we will continue to target universities like Exeter which have modern purpose built living and teaching accommodation. This acquisition is in line with our strategy for the UK property Fund to target income producing assets on longer leases as well as our ambition to increase our exposure to alternatives."

Derek Gilby, Senior Fund Manager of the LPI Income Property Fund, commented: "The ability for LGIM Real assets to purchase these two elements in different funds was key to delivering the deal. It also demonstrates the breadth of our fund management platform which has enabled us to collaborate to satisfy our differing



customer needs. This is an excellent buy for the fund, offering a secure long term income stream from a top investment grade University as well as satisfying our objective of continuing to secure public sector tenants for the Fund.”

Launched in 2006, the UK Property Fund has grown from £100m to over £2.9bn today as it continues to see steady inflow of capital from both Retail and Institutional investors.

Launched in 2010, the LPI Income Property Fund offers defined Benefit pension schemes an innovative way to invest in direct property with secure, primarily government backed, inflation-linked sources of income, generating income yields well in excess of those from comparable asset classes such as index-linked gilts or social housing debt.

CBRE advised Legal & General on the transactions.

- Ends -

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Notes to editors

LGIM Real Assets

LGIM Real Assets is a division of Legal & General Investment Management (LGIM), one of Europe’s largest institutional asset managers and a major global investor. LGIM manages £951.1bn in assets on behalf of over 3,200 clients (as at 30 June 2017), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £24.9bn (as at 30 June 2017), actively investing and managing

assets across commercial property, private residential, infrastructure and property lending and, most recently, corporate credit.

Legal & General Group

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with a number of growing businesses in the US and in other countries. At 30th June 2017, we had over £951 billion in total assets under management. Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

We work with companies and pension trustees to help people build security in retirement, being the UK's largest investment manager for UK corporate pension schemes, a major provider of auto-enrolled pensions and a market leader in pensions de-risking. We have also made a commitment to invest around £15 billion in direct investments, with £12 billion already invested in areas such as homes, urban regeneration, clean energy and small business finance, driving economic growth and making a positive difference to the UK's built environment.