UPP Bond 1 Limited Investor Report

For the year ended 31 August 2021

UPP BOND 1 LIMITED INVESTOR REPORT

This annual Investor Report is delivered pursuant to Schedule 9 Part 1 of the Common Terms Agreement ('CTA') and covers the year ended 31 August 2021.

The date of this Investor Report is 16 December 2021.

Unless otherwise defined herein, capitalised terms have the meanings given in the Prospectus for the £5,000,000,000 multicurrency programme for the issuance of senior secured notes dated 5 March 2013, and as updated on 1 December 2014.

General overview

GENERAL OVERVIEW

UPP Bond 1 Holdings Limited

UPP Bond 1 Holdings Limited announces its results for the year ended 31 August 2021.

Audited financial highlights for the year ended 31 August 2021

£'000	Year ended 31 August 2021	Year ended 31 August 2020	Change %
Turnover	67,806	67,471	0.5%
Gross profit	47,936	47,966	(0.1)%
EBITDA*	45,113	45,204	(0.2)%
EBITDA margin*	66.5%	67.0%	

**EBITDA before sinking fund expenditure*

Business highlights

- Occupancy for 2020/21 of 96.6% (2019/20 of 99.4%)
- Turnover up by 0.5%, reflecting RPI-linked annual term rental income increases
- Gross profit and EBITDA in line with prior year
- EBITDA margin broadly in line with prior year
- Historic Annual Debt Service Coverage Ratios comfortably above lock-up triggers
- The Plymouth AssetCo continued to report under a Trigger Level 2, Phase 1 Monitoring Event with the subsequent enhanced reporting as required by the Monitoring Services Agreement
- The Kent AssetCo reported under a Trigger Level 2, Phase 1 Monitoring Event with the subsequent enhanced reporting as required by the Monitoring Services Agreement

Elaine Hewitt, Chief Executive Officer

The results for UPP Bond 1 Holdings Limited for the financial year ended 31 August 2021, cover a period of significant disruption across higher education and many other industry sectors but the results we announce today underline the robust nature of the UPP business model.

The year saw an increase in turnover of 0.5% to £67.8m, reflecting RPI-linked annual term rental income increases, vacation income and RPI swap income increases. The EBITDA margin of 66.5% was also consistent with the prior year. Occupancy was strong despite pressures arising from the pandemic and has now returned to normal levels in excess of 99%.

Longer term domestic and international demand is very encouraging. There remains a significant structural shortfall in residential supply in the UK so UPP remains well positioned to continue to deliver strong business performance going forward.

1.1 Summary of the UPP Group business

UPP Bond 1 Issuer Plc is part of UPP Group (defined as UPP REIT Holdings Limited and its subsidiaries) which is the UK's leading provider of on-campus residential and academic accommodation infrastructure and currently has approximately 35,000 student rooms in operation through long-term partnerships with 15 leading UK universities, of which 11,693 are rooms operated by the asset companies ('the AssetCos') within the UPP Bond 1 ringfence.

The key features of UPP Group's cash-generative business model, based on bespoke partnerships with universities including the seven AssetCos, are:

- An integrated service model for universities encompassing the funding, design, construction and operation of student accommodation
- A business model underpinned by long-term contracts (typically in excess of 40 years) with all partner universities
- Annual rent increases for the life of the project linked to the Retail Price Index ('RPI')
- A restrictive covenant regime that limits long-term competing university supply in order to maintain project demand dynamics
- Established partnerships with leading institutions, targeted on the basis of its own rigorous selectivity criteria
- Accommodation always located on, or very near to, campus, which is the preferred location for target cohorts of first-year domestic and international undergraduate and postgraduate students
- Average occupancy over the last five years in excess of 99.0% across the AssetCos
- Credit and void risk are passed to the university partner
- The university partner markets UPP accommodation at the agreed rent concurrent to its own stock
- Each AssetCo has the ability to pass cost increases in utilities, insurances and those resulting from a change of law through to student rents to the extent that they are not covered by the annual RPI-linked uplift
- Facilities management costs are subject to five-yearly benchmarking exercises

Photo credit: Robert Greshoff

1.2 Summary of bond issuance

On 5 March 2013, UPP Bond 1 Issuer Plc issued a £382.1m secured bond listed on the Irish Stock Exchange ('ISE'). The Bond was secured against the income from the properties at the universities of York, Nottingham, Nottingham Trent, Kent, Oxford Brookes and Plymouth. UPP Bond 1 Holdings Limited is a wholly-owned subsidiary of UPP Group Holdings Limited and was set up to be the intermediate holding company for the six AssetCos.

This issuance comprised two tranches:

- £307.1m 4.9023% amortising fixed rate bond due 2040
- £75.0m 2.7921% amortising index-linked bond due 2047

On 9 December 2014, the Group acquired UPP (Exeter) Limited from UPP Group Holdings Limited. On the same day, UPP Bond 1 Issuer Plc issued a new tranche of £149.7m 1.037% amortising index-linked secured notes, listed on the ISE. These funds were on-lent to UPP (Exeter) Limited to enable that company to repay its bank facilities and associated costs. This tranche is due in 2049.

Proceeds of the issuances, along with a tranche of unsecured subordinated debt, were utilised to:

- Repay existing senior bank facilities owed by the seven AssetCos
- Fund the payment of break costs crystallised on the termination of the interest rate and RPI hedging arrangements in place with the current bank funders
- Prefund a debt service reserve account for the new bond issuance
- Purchase minority interest shareholdings held by two of the university partners in the relevant AssetCos
- Fund the costs associated with the transaction

Interest and principal repayments are due in February and August each year.

Photo credit: Robert Greshoff

Trading update

2.1 Business Progress

The principal activities of the Company during the year continue to be the construction and operation, including facilities management ('FM'), of student accommodation under the University Partnerships Programme ('UPP'). During the FY 2020/21 the wider UPP Group has continued to grow the number of beds under operation with existing partners.

At the beginning of the financial year, during September of 2020, UPP celebrated the successful handover of three new build schemes at long-standing partner the University of Exeter. Construction began on the £41.4 million Spreytonway and Moberly redevelopments in June 2018 providing a further 381 high-quality rooms. The scheme was funded with index-linked bond debt from Pension Insurance Corporation (PIC), the specialist insurer of defined benefit pension funds, with a debt tenor of 47 years. UPP Group and its shareholders invested £4.2 million of subordinated debt and equity.

UPP delivered the first phase of its £139.7 million deal on the East Park, delivering a further 604 high quality bedrooms. Phase two of the development – a further 578 rooms – was due for completion ahead of the academic year 2021/22. Once again, the development was funded by £125.1 million of index-linked debt financing with a tenor of circa 48 years from PIC with UPP Group and its Shareholders providing £14.6 million of subordinated debt and equity. PIC's investment in East Park is the sixth it has completed with UPP on a bilateral basis, taking the total it has invested directly in UPP schemes to circa £530 million – further evidence that student accommodation remains a resilient asset class for investors.

The letting cycle ahead of the financial year 2020/21 was impacted by the disruption caused by the COVID-19 pandemic. The cancellation of exams across the UK and the introduction of centre assessment grades (CAG) led to a situation where 165,725 UCAS applicants received a grade higher than they were initially awarded. This in turn saw an increase in the number of students placed at their original firm choice university, up from 80.8% to 84.5% of 18-year-olds. As a result, acceptances increased by 4.5% on 2019/20 and the UCAS clearing process proved far quieter than typical years. Universities were successful at accommodating the redistribution

Photo credit: Robert Greshoff

of students and this generated strong demand for residential accommodation. Despite the uncertainties created by the continuing pandemic, overall occupancy stood at 96.6% (99.4% 2019/20).

The year saw continuing disruption to normal teaching and research activities across the sector. Whilst a number of institutions decided that they would resume only remote on-line learning, the majority returning to face to face teaching put in place a significant number of safety measures such as regular asymptomatic testing, additional cleaning, support for self-isolating students and adherence to guidance on ventilation and face coverings. In line with Government guidance, UPP continued to ensure that its accommodation was COVID secure. This included secure check-in processes, deep cleaning of rooms, additional cleaning kits in each cluster flat, one way systems and more regular cleaning of frequent touch points. With more than 150 trained mental health first aiders and the vast majority of frontline teams trained in mental health and suicide awareness, UPP continued to focus on supporting residents, ensuring that students continued to benefit from student experience initiatives, with a significant proportion delivered remotely by its student facing app platform. In England, the term saw a “circuit breaker” four week lockdown starting on 5 November 2020 followed by a further full lockdown between January and April 2021.

Within this context, on 15 January 2021 S&P Global Ratings issued a Rating Action Overview of the 10 student accommodation projects for which it provides rating in the UK. In the overview it affirmed that it was revising to negative from stable the outlooks on its underlying ratings for debt issued by a further six projects and reaffirming its earlier decision to revise the rating for the notes of UPP Bond 1 Issuer PLC to BBB+ (negative) from A-(stable). The rationale for the decision recognised that demographic projections, accommodation location, the academic reputation of institutions, collaboration between the parties and project nomination agreements represented a material credit support.

However, S&P argued that there was a greater risk of certain universities choosing not to nominate 100% of available rooms on the basis of institutions absorbing the cashflow impact of a material decline in actual occupancy – which they note in some cases ranged between 50% and 85% expected revenue. In this scenario, projects may become exposed to potentially weaker cashflow generation. In addition, they felt that there would be challenges for those projects exposed to international and postgraduate demand, where there was a risk of programmes being postponed and/or on the basis of continuing travel restrictions. Whilst the overview recognised the credit positive aspects of future domestic and international demand, it was concerned that the pandemic could change the structure of some academic courses and students preferences for accommodation, which in turn could impact on expected project cashflows, realising RPI increases to rent, and long term lifecycle budgets.

The Company responded to the initial downgrade and change in outlook, during the previous financial year in a note published on its Investor Centre on 24 April 2020. The Company said at the time that it believed that the decision to revise S&P's base case, and downgrade the credit rating as a result, reflected an unduly conservative view of short-term risk and saw no basis for negative revisions to long-term assumptions. The Company remain of the view that its business model is robust and well positioned to continue delivering strong performance as results now demonstrate.

On a broader basis, in March 2021 the Company was awarded Gold accreditation by We Invest in People (WIiP). This award, achieved by only a small number of companies, reflects the Company's ongoing commitment to making UPP a great place to work for our team of around 1,000 people. WIiP represents organisations across 66 countries and has made work better for more than 11 million people. Successful accreditation at Gold level is the sign of a great employer and a great place to work with a clear commitment to sustained success through people.

Also in March, the UPP Foundation – the independent charity established by UPP in 2016 - established the Student Futures Commission. Chaired by the former CEO of UCAS, Mary Curnock Cook, the Commission is a major new inquiry to look at how, in light of the disruption everyone has faced during the pandemic, universities can take action to support students from September 2021 to make the best of their remaining time at university and support those who are starting their journey in higher education this year. It will seek to discover approaches that will help get students' success back on track from September 2021 and specifically considering what additional support needs to be put in place for students – both academically but also more widely in terms of the living and learning experience.

In July, the Royal Society for the Prevention of Accidents (RoSPA) awarded UPP its prestigious 'Gold RoSPA Award' in recognition of its excellent health and safety standards – for a fourth consecutive year. The RoSPA Awards scheme is the longest-running industry programme in the UK and receives entries from organisations around the world. It recognises organisations with an ongoing commitment to health and safety management systems, including practices such as leadership and workforce involvement.

Shortly following the financial year end, during September 2021, UPP reached practical completion on the second and final phase of the East Park project at the University of Exeter. Residents moved into the 578 new high-quality rooms located on the University's Streatham Campus. Both phases of the scheme were completed by VINCI Building. UPP designed, built and financed the project, which it will now operate through a full facilities management service, with the scheme achieving a BREEAM Excellent rating. UPP now operate over 4,100 rooms on the University's campus. The completion of East Park boosts UPP's portfolio to approximately 35,000 rooms in operation or under construction through long-term, bespoke partnerships with 15 world-leading universities.

In terms of key changes to the Executive Leadership Team, in October 2020 UPP REIT Holdings Limited, the Parent Company of UPP Group Holdings Limited, announced that Craig Bryant, Group Legal Director and Mike Eady, Group Health, Safety and Environment Director, left UPP as part of a restructure of the Company's Executive Leadership Team. The responsibilities of the Group Legal Director and Group Health, Safety and Environment Director were assumed by the Chief Financial Officer and the Managing Director UPP Management respectively, as part of a streamlined Executive Leadership Team. In May 2021, Andrew Percival Managing Director UPP Projects also left the business.

During April, UPP REIT Holdings Limited announcedthe appointment of Kate Owen as Chief Marketing Officer and a member of its Executive Leadership Team. Kate has been appointed to lead UPP's marketing and communications strategy and is responsible for corporate marketing, brand management, corporate affairs, public relations and employee communications. Kate has a wealth of experience across multiple sectors and has previously worked across both B2B and B2C marketing in business leading roles with major brands. Prior to joining UPP in 2021, Kate was Marketing Director at Capita plc, where she was responsible for strategic marketing and communications campaigns across multiple sectors.

Whilst the pandemic continues, in the vast majority of cases, universities are commencing face-to-face teaching for the academic year 2021/22 and the Company can confirm that the combined total of nominations secured, and Student Residences Agreements in place with students holding Conditional and Unconditional Firm offers, has resulted in a budgeted occupancy of 99.2% across the portfolio.

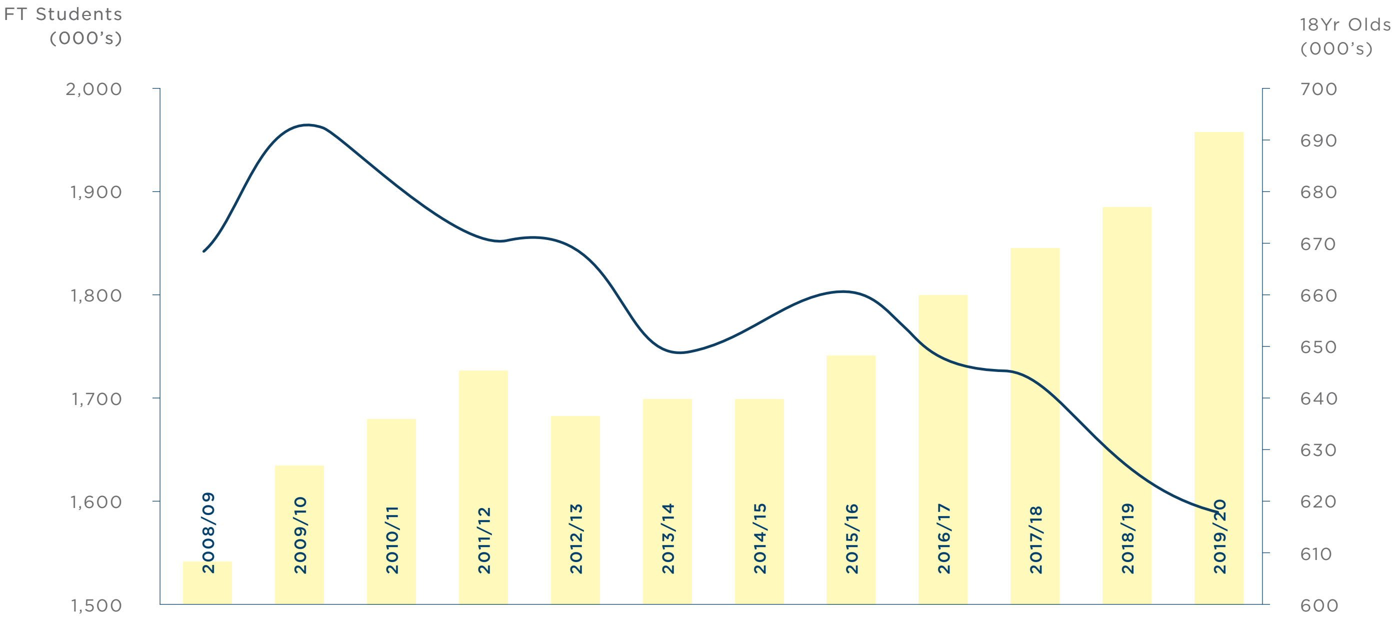
In summary, the view of the Director's remains that its business model is robust and that it is well positioned to continue to deliver strong operational performance from a portfolio of assets that are central to the operations of its university partners.

2.2 General Sector Overview

Despite the considerable financial, competitive and operational challenges faced by UK higher education, the sector maintains its position as the leading global destination for students after the USA. Projections for demand for tertiary level qualification in OECD and G20 countries continues to appear robust, as do trends in the numbers of UK 18-year-olds over the next decade. UCAS applicant data issued following the 30 June 2021 main scheme deadline identifies continued growth in demand of 4% overall or the equivalent of more than 30,000 extra applicants on the previous cycle.

The deadline saw applications from a record number of prospective students with approximately 682,000 applicants seeking places for the academic term 2021/22. Applicant numbers from the UK were up for the third consecutive year by 7%, an increase of 37,600 on the 2020/21 cycle, however post-BREXIT, applicant numbers from EU countries fell sharply by 43.3% the equivalent of 21,250 students. The number of applicants from outside the EU witnessed strong growth at 14%, an increase of 12,870 new prospective international students. A further positive sign for residential demand, saw a continuation of the increasing rate of application from 18-year-olds. This cohort has seen year on year increases over the last decade from 33.3% in 2012 to 40.5% in 2020. This figure increased again during the 2021 cycle to 43.3% of the 18-year-old population. This is positive news for the Company as this is by far the largest demand cohort for its accommodation. The chart below identifies the demographic trend in the number of 18-year-olds in England relative to full time enrolments.

Figure 2.2.1 UK full-time HE enrolment (y-axis) relative to the number of 18-year-olds in England (z-axis) 2008-2019



HESA (Headcount)/ONS

One of the many impacts of the COVID-19 pandemic was the continued disruption of annual exam cycles. For the second year in a row the Government took the decision to utilise centre assessment grades, as the method for agreeing results ahead of the academic year 2021/22. This led to 174,000 students receiving a grade increase and a record number of students being accepted to their first choice of university - 395,770 students receiving an acceptance from their firm choice, up 8% year on year. The result of achieving higher than expected grades a third (34%) fewer 18 year old students used the UCAS Clearing system - 24,110 compared to 36,770 in the 2020 cycle.

Subsequently, on the basis of UCAS sector level updates following Clearing, data suggested that there had been just a marginal decline in placed applicants of 2% overall to 507,610 in comparison to last year at the same stage of the cycle. In terms of the beneficiaries of increasing academic demand it continues to be those universities classified as high tariff that have seen placed applicant numbers increase. Placed applicants increased by 3% year on year to 175,920, with numbers at medium tariff universities falling by 3%. The number of placed applicants at lower tariff institutions fell by 4%.

Last year, the increase in those being placed in their firm choice impacted on other routes such as insurance placings and clearing, as less students required a second option at that stage. Overall insurance placings were down 2% year on year albeit that the measure of the central tendency smoothed an increase of 1% for UK students, an increase of 5% in the case of international students and a fall of 56% in EU students. Placed applicants seeking to defer were up by 6% to 31,070, however, this represents only 1,710 students. The composition of this group has been driven by an increase in UK applicants choosing to defer of 10%.

Figure 2.2.2 - Applicants for all courses by domicile group (15 January 2021 deadline)

App. Domicile	2017/18	2018/19	2019/20	2020/21	2021/22
England	437,860	421,610	418,940	427,290	456,190
Northern Ireland	20,290	19,310	18,520	18,150	19,390
Scotland	48,940	48,710	47,110	47,250	52,710
Wales	22,530	21,830	21,470	21,330	23,330
UK	529,620	511,460	506,040	514,020	551,620
EU (excluding UK)	49,250	50,130	50,650	49,650	28,400
Non-EU	70,830	75,380	81,340	89,130	102,000
TOTAL	649,700	636,970	638,030	652,790	682,101

(Source: UCAS)

Early indications of demand for the academic term 2022/23 provide encouraging indications that trends in applicant numbers will continue to remain strong. The first comparable data point for the coming academic year, namely the 15 October deadline, identifies an overall increase of 1% in undergraduate applicants seeking to study at Oxford, Cambridge or medicine, dentistry or veterinary courses. In terms of domicile, applicant numbers from the UK increased by 3%, the equivalent of more than 1,770 extra students year on year. The number of UK 18 year olds who have applied by the deadline was up by 3% (39,920 vs 38,580), reflecting the 3% increase in total UK 18 year olds in the population in 2021. EU applicant numbers fell by 16% or 850 potential students. The number of international applicants remained at the same level as the 2020/21 term at 17,460 by the 15 October deadline, with demand from China particularly strong, with a 5% increase this year (4,570 this year vs 4,340 for 2021, following a 31% rise from 3,310 in 2020).

On this basis, the Directors remain positive about the robust nature of domestic and international demand for UK HE and therein for residential accommodation. We also remain confident in the capacity of the Company to secure and deliver transactions coming to market, based on its unique selective approach to partnerships.

Photo credit: Robert Greshoff

Financial highlights

For the year ended 31 August 2021

Photo credit: Morley von Sternberg

FINANCIAL HIGHLIGHTS

Highlights of the audited consolidated results of UPP Bond 1 Holdings Limited:

- Occupancy for 2021 at 96.6% (2020: 99.4%)
- Turnover increased to £67.8m which is a 0.5% underlying increase on 2020
- EBITDA before sinking fund of £45.1m (2020: £45.2m)
- Cash balance of £50.9m, made up largely of liquidity reserve accounts and short-term working capital requirements
- Payments to subordinated debt loan notes of £6.7m (2020: £11.8m)

For the year ended 31 August 2021, the UPP Bond portfolio had a historic annual debt service coverage ratio ('ADSCR') for the period of 1.22[1], compared to a lock-up ADSCR of 1.15.

Rental income was fixed at the start of the academic year along with a significant proportion of the costs which are subject to contractual RPI increases. With occupancy secured at 96.6%, performance for the year was again strong, with a subordinated debt loan notes distribution of £6.7m made during the year to 31 August 2021.

The Group made a loss before tax for the year of £40.6m (2020: £21.9m). Of this loss, £42.1m (2020:£36.9m) is attributable to interest on subordinated debt, of which £6.7m (2020:£11.8m) was paid at the end of the 2020/21 financial year. The year end figures also included a provision of £3.9m for remedial works at Plymouth where expenditure is scheduled for 2021/22.

Consolidated profit and loss results for the seven AssetCos, UPP Bond 1 Limited, UPP Bond 1 Holdings Limited and UPP Bond 1 Issuer Plc are presented below for the financial year ended 31 August 2021.

[1] This ratio has been corrected in an update to the version previously published

3.1 AssetCo consolidated profit and loss account for year ended 31 August 2021

	Year ended 31 August 2021	Year ended 31 August 2020	Change %
	£'000	£'000	
Turnover	67,806	67,471	0.5%
Cost of sales	(19,870)	(19,505)	1.9%
Gross profit	47,936	47,966	(0.1)%
Gross profit margin	70.7%	71.1%	
Operating expenses	(2,822)	(2,762)	2.2%
EBITDA before sinking fund expenditure	45,114	45,204	(0.2)%
EBITDA margin	66.5%	67.0%	
Sinking fund expenditure	(7,967)	(3,783)	110.6%
EBITDA	37,147	41,421	(10.3)%

Turnover is defined to include rental receipts from students net of contractual amounts deducted by university partners for taking credit and void risk, upside sharing arrangements, commercial and vacation income derived from other activities at each asset company ('the AssetCos'), together with any receipts under the relevant RPI-linked swaps. With typically high occupancy, the main driver of turnover growth is the annual RPI-linked increase in the rental rate.

For the year ended 31 August 2021, occupancy was 96.6% (2020: 99.4%). The growth in turnover was 0.5% (2020: 1.7%) which was driven by increases in RPI swap income and the return of some vacation income after the heavily COVID affected prior year.

Cost of sales, which is made up of facilities management ('FM') costs, employee costs and utilities, increased by 1.9% (2020: 1.5% increase) during the year. This increase in costs is due to contractual increases in FM and employee costs primarily linked to RPI and higher utility costs as a result of higher wholesale prices.

Operating expenses were broadly in line with the prior year, increasing by 2.2% (2020: increase of 4.0%).

EBITDA margin before sinking fund expenditure was 66.5% (2020: 67.0%).

Sinking fund costs are made up of items throughout the accommodation that reach the end of their economic life and require replacement. While sinking fund expenditure is highly predictable and modelled in line with the relevant replacement period for each item, it is not necessarily comparable from one year to the next. In 2021, the year on year increase in spend is largely due to the additional investment in fire safety works at UPP (Plymouth Three) Limited.

Details of the ratio calculations and comments on each individual AssetCo are included in Appendix 1. The Profit and Loss and Balance Sheet of each AssetCo have not been included in this document as they are published separately.

3.2 Forecast financial highlights for the year ended 31 August 2022 for the seven AssetCos

- Occupancy for the year is budgeted to be 99.2% across the AssetCos
- Rental income is projected to increase by 4.8% due to higher occupancy when compared to the previous year
- Projected ADSCR ratio of 1.24 compared to lock-up ratio of 1.15

AssetCo occupancy is budgeted as 99.2% for the 2021/22 academic year for the seven AssetCos, resulting in expected rental income, net of contractual university fees, of circa £70.6m. This represents underlying rental increase of 4.8% on 2020/21.

Only Plymouth, Broadgate Park and Kent are not budgeted to reach 100% let for the 2021/22, at 99.5%, 96.8% and 98.3% respectively.

UPP (Nottingham) Ltd benefits from the second and final year of the Triparty Agreement relating to a conditional underwrite of the rooms from Nottingham Trent University linked to the University's nomination of third party rooms under Relevant Arrangements. The AssetCo accommodation has achieved 100% occupancy without the need to call upon the conditional underwrite for the 2021/22 academic year.

Photo credit: Robert Greshoff

The Company believes that the University will be in a position to demonstrate satisfaction of the relevant tests in future and is working with the University to ensure adherence to the terms of the Primary FM Agreement. The Company is also working with the University to ensure it receives the information required to monitor the University's compliance with the various Primary Agreement tests.

The Directors are reviewing opportunities for additional equity investment in the AssetCos to further enhance the accommodation offering. Should these plans be developed further the Directors will engage with the Monitoring Adviser as appropriate.

The Projected Senior ADSCR as at 31 August 2022 is 1.24.

3.3 Operational performance and sinking fund

FM services are provided by UPP's 100%-owned subsidiary, UPP Residential Services Limited (URSL). Services are delivered to the highest level possible to ensure the continued attractiveness of the accommodation and to maximise occupancy for future years.

This targeting of high service levels is reflected in the performance of the FM provider. During the financial year ended 31 August 2021, URSL suffered no deductions for unavailability or poor performance and this reflects the high standards set in previous years.

Sinking fund expenditure is managed by URSL. In total, £7.9m (2020: £3.8m) was invested by the AssetCos to maintain the quality of the accommodation, including the works at Plymouth described below.

During August 2020, intrusive survey works identified defects in the cladding on the Francis Drake Hall of residence at the UPP (Plymouth Three) Limited AssetCo. Temporary remedial works were completed prior to students arriving for the 2020/21 academic year to ensure that the building was safe for occupation. Kier Construction has since been engaged by UPP Group Holdings Limited under a pre-construction services agreement to commence cladding replacement works (such works to continue through the 2021/22 academic year) while the consent process involving UPP (Plymouth Three) Limited is finalised. Once the consent process with the Monitoring Adviser is complete, UPP (Plymouth Three) Limited will enter into an approved building contract with Kier Construction to complete the abovementioned remedial works. Investigations and surveys are ongoing across the rest of the portfolio.

Ratio calculations

Photo credit: Robert Greshoff

As set out in Paragraph 2 of Part 2 of Schedule 9 of the Common Terms Agreement ('CTA'), the ratio calculations for the year ended 31 August 2021 are:

4.3 Historic AssetCo DSCR

UPP (Alcuin) Limited	1.24
UPP (Broadgate Park) Holdings Limited	1.15
UPP (Kent Student Accommodation) Limited	0.57
UPP (Nottingham) Limited	1.19
UPP (Oxford Brookes) Limited	1.21
UPP (Plymouth Three) Limited	1.08
UPP (Exeter) Limited	1.52

4.4 Projected AssetCo DSCR

UPP (Alcuin) Limited	1.39
UPP (Broadgate Park) Holdings Limited	1.35
UPP (Kent Student Accommodation) Limited	1.54
UPP (Nottingham) Limited	1.35
UPP (Oxford Brookes) Limited	1.36
UPP (Plymouth Three) Limited	0.48
UPP (Exeter) Limited	1.35

4.3 Historic senior DSCR[2]	**1.22**
4.4 Projected senior DSCR	**1.24**

The Historic Senior DSCR and Projected Senior DSCR have been calculated as per the definition in the CTA.

Per Schedule 10 (Monitoring Trigger Events and Lock-up Events), the Historic Senior DSCR and the Projected Senior DSCR exceed 1.15:1 for the Test Period. However, the Projected AssetCo DSCR ratio for UPP (Kent Student Accommodation) Limited did not reach the required ratio of 1.15:1, therefore activating a Trigger Level 2, Phase 1, Monitoring Trigger Event. A remedial plan was developed with the Monitoring Adviser in accordance with the Monitoring Service Agreement.

As per Part 4 of this Schedule (Lock-up Events), the Historic Senior DSCR and Projected Senior DSCR does not give rise to a Lock-up Event under Paragraph 1.1.

[2] This ratio has been corrected in an update to the version previously published

4.5 Current hedging policy

On 5 March 2013, the Group entered into three inflation-linked swaps (RPI swaps) to reduce its exposure to inflation on the revenue streams generated by the AssetCos. These swaps are sized to cover 80.0% of the anticipated debt service costs on the fixed rate tranche of the Bond, in line with the Hedging Policy outlined in Schedule 13 of the CTA.

Receipts and payments on the RPI swaps are recognised as they are incurred over the life of the arrangement.

For the year ended 31 August 2021 the Group has recognised derivatives at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative. In estimating the fair value of the RPI swaps, the Group incorporates credit valuation adjustments and debit value adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements, which are subjective in nature and require significant judgement. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Group has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

In recognising this fair value, the Group has considered the contractual rent basis of each of the AssetCos – and whether the criteria is met to utilise hedge accounting – and ascertained that for four out of the six AssetCos that have entered into inflation-linked swaps, the hedge accounting criteria had been met and movements in the fair value of these derivatives are taken through reserves rather than the profit and loss.

The Directors of the Group consider that the underlying contractual arrangements with UPP (Kent Student Accommodation) Limited and UPP (Plymouth Three) Limited, and their respective university partners, did not meet these criteria and therefore hedge accounting could not be utilised and any movements in fair value of the inflation-linked swaps will be recognised within the profit and loss account of each AssetCo. We note, however, that these limitations within Section 12 of FRS 102 in the application of hedge accounting do not impact the Group's cash flow position. The reasons for entering into RPI swaps remain commercially sound - that is they are intended to be held to maturity in order to reduce volatility in the Group's cash flows.

4.6 Distributions made

In accordance with the terms of the Loan Note Instrument dated 5 March 2013 – entered into by UPP Bond 1 Holdings Limited and UPP Group Limited – and the terms of the CTA, an amount of £6.7m (2020: £11.8m) was distributed to UPP Group Limited in the year to 31 August 2021.

4.7 Confirmation

As per paragraph 3.3.4 of Schedule 9 of the CTA, this confirms that:

a) The Investor Report attached herein is accurate in materially all respects; and

b) No Default, Senior DSCR Enforcement Event, Lock-up Event or Monitoring Trigger Event has occurred and is continuing except as already notified or as outlined herein;

c) The Group is in compliance with the Hedging Policy.

Signed for and on behalf of UPP Bond 1 Issuer Plc

Henry Gervaise-Jones
Chief Financial Officer

Monitoring Adviser Addendum

£5 billion Multicurrency Programme for the Issuance of Senior Secured Notes

Photo credit: Robert Greshoff

A. Background

UPP Bond 1 Issuer PLC (the 'Issuer') has prepared its Annual Investor Report for the year ended 31 August 2021 in relation to the Issuer's note programme (the 'Programme'). Bishopsfield Capital Partners Limited ('Bishopsfield' or 'BCP'), as Monitoring Adviser, is required under the terms of the Monitoring Services Agreement ('MSA') dated 5 March 2013 to prepare an addendum to the Annual Investor Report (the 'MA Addendum') commenting, inter alia, on whether on the basis of information obtained by the Monitoring Adviser in the performance of the Services, and in accordance with the Monitoring Adviser Standard, it agrees with the matters stated in the Annual Investor Report. The MA Addendum is also required to identify:

- MA ('Monitoring Adviser') Direction Matters and ISC ('Issuer Secured Creditor') Recommendation Matters decided during the year to which the Annual Investor Report relates (see Section C below); and
- any other information which the Monitoring Adviser considers relevant to Holders including any material findings arising from its monitoring obligations described in Paragraph 1.3 (Property Visits) of Schedule 1 (Monitoring Services), Part 1 (Monitoring under Normal Conditions) of the MSA (see Section D below), and Part 2 (Monitoring under Stress Conditions) of the MSA (see Section E below).

This MA Addendum refers to matters arising during the period from 1 September 2020 through 31 August 2021 unless otherwise stated herein.

All defined terms in this MA Addendum are with reference to (i) defined terms in the Issuer Transaction Documents; (ii) defined terms within relevant (to that defined term) MA Proposal Requests; and (iii) as defined herein.

B. Executive Summary

Bishopsfield has reviewed the Issuer's Annual Investor Report. On the basis of the information provided and discussions held with the Issuer's management in the ongoing undertaking of the Monitoring Adviser Services, Bishopsfield agrees the matters stated in the Issuer's Annual Investor Report.

There are presently three tranches of notes outstanding:

- £307.1m 4.9023% Amortising Fixed Rate Bond due 2040;
- £75m 2.7921% Amortising Index-Linked Bond due 2047; and
- £149.7m 1.037% Amortising Index-Linked Bond due 2049.

Occupancy across the seven AssetCos was reported at 96.6% for the 2020/21 academic year.

EBITDA, before sinking fund payments, was £45.1m on turnover of £67.8m.

Monitoring was been conducted under stress conditions relative to:

- UPP (Plymouth Three) Limited ('Plymouth') since 1 September 2019 following the occurrence of a Trigger Level 2, Phase 1 Monitoring Trigger Event. This resulted from a Trigger Level 2, Phase 1 Monitoring Event occurring.
- UPP (Kent Student Accommodation) Limited ('Kent') since 15 December 2020 following the occurrence of a Trigger Level 2, Phase 1 Monitoring Trigger Event. This resulted from a Trigger Level 2, Phase 1 Monitoring Event occurring.

Following such events, there are certain actions required from ParentCo and the relevant AssetCo. This is discussed in Section E of this MA Addendum.

Normal condition monitoring was conducted through the year relative to all other matters arising.

The Covid-19 pandemic has presented several challenges to the UK student accommodation sector. We remained in regular (at least bi-weekly) communication with UPP's senior management throughout the period to discuss the implications for each AssetCo and the Issuer. Topics discussed have included:

- Health and safety arrangements for students and staff;
- Payment of rent and implications for the relevant operating budgets;
- Occupancy and liquidity projections for the 2021/2022 academic year; and
- Management of summer 2021 sinking fund works.

UPP's response to the Covid-19 pandemic is discussed in the relevant sections below.

One Distribution of approximately £6.7m was announced in relation to the last academic year and this was reported to have been paid on 31 August 2021. A Compliance Certificate dated 31 August 2021 was received in respect of this Distribution. We note that the distribution was materially lower than in recent prior years reflecting, as we understand it, reduced operating margins resulting from lower occupancy at certain AssetCo Properties, significant additional Sinking Fund expenditure during summer 2021 and a prudent approach to likely future cash flow needs associated with the exceptional remediation works being undertaken at Francis Drake Hall this year.

There were four MA Proposal Requests received and recommended by Bishopsfield during the reference period. These are summarised in Section C of this MA Addendum.

During September 2021, we visited the Kent Property and the Oxford Brookes Property at the University of Kent and Oxford Brookes University respectively. The Site Visits are summarised in Section D of this MA Addendum. Both Site Visits focused on planned and recently undertaken sinking fund activities and the impact of the Covid-19 pandemic.

In addition, we undertook the Site Visits postponed last year to UPP's relevant properties at the University of Nottingham and Nottingham Trent University; these visits were undertaken during June 2021.

The Issuer provided three Compliance Certificates during the twelve months ended 31 August 2021:

- Compliance Certificate dated 15 December 2020 in relation to Audited Financial Statements for the year ended 31 August 2020 ('Dec 2020 CC');
- Compliance Certificate dated 29 April 2021 in relation to unaudited semi-annual Financial Statements for the first half of the financial year ending 31 August 2021 (i.e., for the six months ending 28 February 2021) ('Apr 2021 CC'); and
- Compliance Certificate dated 31 August 2021 in relation to a Distribution reported by the Issuer to have been made on 31 August 2021 (the 'Aug 2021 CC').

Historic Ratios	Applicable Ratio	Dec 2020 CC	Apr 2021 CC	Aug 2021 CC
Historic AssetCo DSCR: Alcuin	1.15x	1.36x	1.37x	1.23x
Historic AssetCo DSCR: Broadgate Park	1.15x	1.44x	1.35x	1.16x
Historic AssetCo DSCR: Kent	1.15x	1.49x	1.15x	0.58x
Historic AssetCo DSCR: NTU	1.15x	1.34x	1.39x	1.18x
Historic AssetCo DSCR: Oxford	1.15x	1.36x	1.35x	1.19x
Historic AssetCo DSCR: Plymouth	1.15x	1.27x	1.31x	0.97x
Historic AssetCo DSCR: Exeter	1.15x	1.42x	1.45x	1.55x
Historic Senior DSCR	1.15x	1.37x	1.37x	1.24x

Projected Ratios	Applicable Ratio	Dec 2020 CC	Apr 2021 CC	Aug 2021 CC
Projected AssetCo DSCR: Alcuin	1.15x	1.34x	1.38x	1.38x
Projected AssetCo DSCR: Broadgate Park	1.15x	1.21x	1.32x	1.36x
Projected AssetCo DSCR: Kent	1.15x	0.63x	1.16x	1.56x
Projected AssetCo DSCR: NTU	1.15x	1.38x	1.35x	1.38x
Projected AssetCo DSCR: Oxford	1.15x	1.37x	1.38x	1.40x
Projected AssetCo DSCR: Plymouth	1.15x	1.27x	0.31x	0.39x
Projected AssetCo DSCR: Exeter	1.15x	1.44x	1.43x	1.34x
Projected Senior DSCR	1.15x	1.30x	1.21x	1.24x

Note: the AssetCos are each defined in the body of this MA Addendum

The tables above highlight the general deterioration in the observed historic ratios at several AssetCos, mostly notably at UPP (Broadgate Park) Ltd ('Broadgate Park'), NTU, Kent and Plymouth; and in the observed projected ratios at Plymouth. We further note the impact that the deterioration of certain AssetCo performance has had on the Historic Senior DSCR and Projected Senior DSCR. These changes primarily result from matters commented on elsewhere in this MA Addendum.

C. MA Proposal Requests received

The Monitoring Adviser considered four MA Proposal Requests during the year to 31 August 2021:

1. Delayed Site Visits

On 18 January 2021, the Issuer sought consent related to deferring two Site Visits to the Properties at NTU and Broadgate Park as a result of the Covid-19 pandemic.

Bishopsfield confirmed the voting categorisation of the MA Proposal Request as an MA Direction Matter and made a conditional MA Recommendation that the Issuer Security Trustee approves the MA Proposal Request on behalf of the ISC. The condition (relative to the timing for submission of Lifecycle Reports) was met.

2. Birks Remedial Works

On 29 July 2021, ParentCo sought consent for the Issuer to approve (i) a waiver of the early entry into the Nomination Agreement, (ii) consent to enter into the Remediation Documents, and (iii) consent to incur capital expenditure in relation to the referenced remedial works at one of the UPP (Exeter) Ltd ('Exeter') Properties known as Birks.

Bishopsfield confirmed the voting categorisation of the MA Proposal Request as an MA Direction Matter and made

[3] Each heading follows the relevant heading in Schedule 1, Part 1 of the MSA

a conditional MA Recommendation that the Issuer Security Trustee approves the MA Proposal Request on behalf of the ISC. The conditions were: (i) agreement of an acceptable form of Collateral Warranty (we await receipt of signed documents, but understand that these are now in agreed form); (ii) copies of all Remediation Documents being provided to the Issuer Security Trustee and ourselves; some of the Remediation Documents have been provided (we await receipt of signed collateral warranties, but understand that these are now in agreed form); (iii) receipt of a copy of the Marsh letter (as defined in the relevant MA Proposal Request), which has been provided; and (iv) a copy of the certificate of final completion of the Remediation Works, which was issued by Bailey Partnership on 26 October 2021.

3. Duryard Remedial Works

On 30 July 2021, ParentCo sought consent for the Issuer to approve (i) a waiver of the early entry into the S&R Deed, (ii) consent to enter into the Remediation Deeds, and (iii) consent to incur capital and related expenditure of up to £400,000 in relation to the referenced remedial works at one of the Exeter Properties known as Duryard.

Bishopsfield confirmed the voting categorisation of the MA Proposal Request as an MA Direction Matter and made a conditional MA Recommendation that the Issuer Security Trustee approves the MA Proposal Request on behalf of the ISC. The conditions were: (i) agreement of an acceptable form of Collateral Warranty; (we await receipt of signed documents, but understand that these are now in agreed form); (ii) copies of all Remediation Documents being provided to the Issuer Security Trustee and ourselves; some of the Remediation Documents have been provided (we await receipt of signed collateral warranties, but understand that these are now in agreed form); and (iii) receipt of a copy of the Marsh letter, (as defined in the relevant MA Proposal Request), which has been provided.

4. Additional Sinking Fund Budgets

On 12 August 2021, ParentCo sought consent for the Issuer to approve five AssetCos incurring additional capital expenditure during the Financial Year ending 31 August 2021 related to additional Sinking Fund expenditure that was not originally included in the relevant Operating Budget. The five AssetCos were UPP (Alcuin) Ltd ('Alcuin'), Broadgate Park, NTU, Kent and Oxford. The additional Sinking Fund expenditure aggregated to £1,756,359, noting that Sinking Fund expenditure was over-budgeted, in aggregate, at Plymouth and Exeter by some £1.1 million.

Bishopsfield confirmed the voting categorisation of the MA Proposal Request as an MA Direction Matter and made a conditional MA Recommendation that the Issuer Security Trustee approves the MA Proposal Request on behalf of the ISC. The conditions were: (i) provision of Trigger Level reporting at Broadgate Park should a Trigger Event arise (which it did not ultimately do); (ii) delivery of an updated February 2021 Kent Monitoring Trigger Level Report prior to 30 September 2021, which was not met in a timely manner, but has subsequently been delivered; and (iii) delivery of a confirmation relative to completion of the Revised Sinking Fund Works on or around 30 September 2021, which was also not met in a timely manner, but has also subsequently now been delivered. We have reminded UPP of the importance of timely compliance with the conditions of an MA Proposal Request.

D. Monitoring under Normal Conditions[1]

1. REGULAR UPDATES

1.1. Management Meetings

In addition to the 15 November 2020 Management Meeting discussed in our previous MA Addendum, and the regular communications and meetings that have occurred throughout the period, two further Management Meetings have been conducted:

Bishopsfield met with Management on 1 June 2021. Discussions primarily focused on:

- The competitive landscape, impact of the pandemic and Brexit, likely changes to the higher education sector (from a regulatory / policy perspective) and potential regulation / legal changes related primarily to building regulations and safety that may / are impacting UPP. These were discussed in UPP's half year report.
- Demand: AssetCos reported robust occupancy (for 2020/21) except at Kent (67.4%) and Broadgate Park (96%). UPP reported being circa £0.5m ahead of their revenue budget.
- Cost management through the Covid-19 pandemic; management commented on the planned additional sinking fund works being scoped at five AssetCo Properties (see Section C of this MA Addendum) and the objective to invest in certain Properties whilst occupancy was lower, with a focus on improving student experience and ultimately sustaining strong occupancy.
- Management commented that other Sinking Fund activities remained on programme with supply chains being managed pro-actively and appropriate health and safety protocols being implemented to promote student, site and staff safety.
- Management discussed the contemplated works at Duryard and Birks (both Exeter Properties).
- Demand for 2021/2022 academic year:
    - Management commented that demand across all AssetCos was strong (even when benchmarked against at a similar date in the admissions calendar for 2019/20 year – i.e. before the pandemic). However, it was evident that take-up was slower for some Assetcos (in particular Kent and Plymouth) due to concerns over what the student experience would look like for the coming year.
    - Key short-term risks identified relative to the admissions process given Covid-19: (i) student deferral and (ii) lockdown requirements for returning international students. Management commented on being in close communications with relevant partner universities with a view to mitigating such risks.

[3] Each heading follows the relevant heading in Schedule 1, Part 1 of the MSA

- Student management during Covid-19 pandemic. Management reported that AssetCos continue to work closely with relevant universities to manage intakes, 'bubbling' of student groups, quarantine arrangements, and other practical solutions to support residents.
- Existing MA Proposal Requests (see Section C above for additional details of certain MA Proposal Requests and prior MA Addendums that contained summaries of the following matters):
  - Exeter Property remediation activities related to facades and pods; management commented that works relative to the facades is now complete.
  - Plymouth Property exceptional works; management commented that works planned for summer 2021 remain as programmed with the exception of certain items where the University of Plymouth had requested deferral of Works until summer 2022.
  - NTU occupancy underwriting arrangement; UPP commented that the Nottingham Trent University had not breached its required nomination covenant.
- The Enhanced Monitoring situations at Kent and Plymouth (these are discussed in Section E below).

Bishopsfield met with Management on 16 November 2021. Discussions focused on:

- The competitive landscape for student accommodation; management commented:
  - On the continued uncertainty created by the Covid-19 pandemic, highlighting that there had been many positive implications for the portfolio – especially as it relates to demand from domestic students.
  - That initial indicators of demand for 2022/23 accommodation were positive, referencing observed registrations for Oxbridge, medical and vet schools.
  - That demand from EU applicants was materially lower, offset by applications from non-EU countries.
  - The long-term outlook remaining strong for the coming decade.
  - Potential policy and regulatory changes and the potential challenges presented by these.
- Demand for the AssetCo properties for the 2022/23 academic year; management commented:
  - On continuing engagement regarding the focus of the Sinking Fund Works Programme for each AssetCo.
  - That they are engaging with partner universities to understand demand dynamics and anticipate initial visibility during Q1 2022.
  - On marketing initiatives being developed to encourage 'returners' (i.e., second / third year students) and attract first year registrations.
- We discussed the status of remedial works at the Plymouth Property (Robbins and Gilwell Halls) and the situation at Francis Drake Hall (one of six halls that comprise the Plymouth Property). The former are nearly completed, with last Works due to be actioned during summer 2022. Enabling works are reported to be ongoing at Francis Drake (primarily related to scaffolding) noting that students were now occupying almost all rooms in a safe manner. The University of Plymouth is reported to be supportive of the works and an MA Proposal Request is anticipated imminently.
- We further discussed the status of various historic MA Proposal Requests; management commented that there had been no reliance on the NTU Underwriting to date.
- Management commented that spend remains in line against the Operating Budget and that occupancy for 2021/22 is at or above projected levels. The only AssetCos where occupancy presently remains below 100% are Plymouth (99.7% reported) and Broadgate Park (98% reported).

- Management commented on UPP's relationships with relevant partner universities, emphasising the goodwill achieved through the additional sinking fund works undertaken through summer 2021.

1.2. FM Provider

FM services are provided by UPP Residential Services Limited ('URSL'). URSL has provided the information that Bishopsfield has requested largely in a timely manner; the information related primarily to the Site Visits and regular reporting on the Exeter Property remediations, and Plymouth Property exceptional works being conducted and certain questions / clarifications arising during the Operating Budget review.

1.3. Property Visits

1.3.1. Nottingham Trent University

BCP conducted a Site Visit at Nottingham Trent University during June 2021.

Prior to financial close a comprehensive lifecycle report was produced by WSP and dated October 2012 (the 'WSP Report'). We continue to rely on the WSP Report, together with a Life Cycle Report produced by URSL.

BCP met both the regional and local staff at both SPV and FM Contractor level at the NTU accommodation. Staff demonstrated knowledge and awareness of both local and national UPP practices and procedures. We examined the condition of the properties in conjunction with the comments made in the WSP Report in this instance and in connection with any major capital expenditure (exceeding £500,000), planned maintenance and lifecycle expenditure over the next 12 months, material disputes, breaches and deductions, litigations and claims and other matters that were brought to our attention. We were satisfied with the current condition subject to subsequent clarifications of certain matters identified.

We were made aware of some exceptional sinking fund works that were contemplated (and reported to have been undertaken) during summer 2021; these were the subject of an MA Proposal Request discussed elsewhere in this report.

We discussed AssetCo planned maintenance and lifecycle expenditure over the coming 12 months, material disputes, breaches and deductions, litigations and claims and various other matters arising and are satisfied with the current condition.

We met with representatives from Nottingham Trent University who voiced broad satisfaction with the state of the relationship with UPP.

1.3.2. University of Nottingham

BCP conducted a Site Visit at the University of Nottingham during June 2021.

In common with the Site Visit to Nottingham Trent University, we continue to rely on the WSP Report, together with a Life Cycle Report produced by URSL.

BCP met both the regional and local staff at both SPV and FM Contractor level at the Broadgate Park accommodation. Staff demonstrated knowledge and awareness of both local and national UPP practices and procedures. We examined the condition of the properties in conjunction with the comments made in the WSP Report in this instance and in connection with any major capital expenditure (exceeding £500,000), planned maintenance and lifecycle expenditure over the next 12 months, material disputes, breaches and deductions, litigations and claims and other matters that were brought to our attention. We were satisfied with the current condition subject to subsequent clarifications of certain matters identified.

We were made aware of some exceptional sinking fund works that were contemplated (and reported to have been undertaken) during summer 2021; these were the subject of an MA Proposal Request discussed elsewhere in this report.

We discussed AssetCo planned maintenance and lifecycle expenditure over the coming 12 months, material disputes, breaches and deductions, litigations and claims and various other matters arising and are satisfied with the current condition. We note the continued discussions regarding a potential enhancement to the Courtyard facility which sits in the heart of the Broadgate Park campus; we understand from UPP management that this remains a strategic investment priority.

We met with representatives from the University of Nottingham who voiced frustration with the lack of strategic investment by UPP in the Properties, as well as disappointment with the lack of a 'material financial contribution' to the financial stress caused by the pandemic; we have discussed these observations with UPP management who we understand have followed up with relevant University of Nottingham senior management.

1.3.3. University of Plymouth

Bishopsfield conducted a Site Visit to UPP's accommodation at the University of Plymouth on 30 August 2021. This Site Visit was scheduled to (i) view the additional Sinking Funds Works undertaken following approval of the August 2019 MA Proposal Request and (ii) to view where enabling works were being undertaken at the AssetCo's Francis Drake Property relative to remedying some identified defects that are expected to be the subject of a further MA Proposal Request in due course.

During our visit to the Plymouth Properties, including Robbins and Gilwell Halls, we observed some of the enhancements to the exterior fabric of some of the buildings and also saw several student rooms and communal facilities, including kitchens.

Relative to remediation works related to Francis Drake Hall we are receiving technical and legal advice to inform our consideration of the contemplated proposals.

1.3.4. University of Exeter

BCP conducted a Site Visit to the Exeter Property on 1 September 2021 as part of its regular monitoring of certain pod and façade related remediations.

BCP received monthly reports providing updates on progress of the remediation works; whilst noting that pod-related work was completed last year, completion of the façade related works was concluded in early 2021.

We also viewed, during our Site Visit, certain other defects identified at Duryard Hall and Birks Grange Hall (two of the Exeter Properties). The remediations that were approved by the ISC during August 2021 were all nearing completion in time for student arrivals during September 2021.

1.3.5. University of Kent

BCP conducted a Site Visit to Woolf College at the University of Kent during September 2021.

In common with the Site Visit to Nottingham Trent University, we continue to rely on the WSP Report, together with a Life Cycle Report produced by URSL.

BCP met local staff and were accompanied by members of UPP's head office staff. Staff demonstrated knowledge and awareness of both local and national UPP practices and procedures. We examined the condition of the properties in conjunction with the comments made in the WSP Report in this instance and in connection with any major capital expenditure (exceeding £500,000), planned maintenance and lifecycle expenditure over the next 12 months, material disputes, breaches and deductions, litigations and claims and other matters that were brought to our attention. We were satisfied with the current condition subject to subsequent clarifications of certain matters identified.

We viewed some of the exceptional Sinking Fund works undertaken during summer 2021.

We discussed AssetCo planned maintenance and lifecycle expenditure over the coming 12 months, material disputes, breaches and deductions, litigations and claims and various other matters arising and are satisfied with the current condition. We note that management highlighted to us the potential need for some exterior, cladding-related remediation works; as we understand it these are subject to some intrusive investigations by appropriately qualified experts. We continue to monitor this matter closely.

1.3.6. Oxford Brookes University

BCP conducted a Site Visit to UPP's accommodation at Oxford Brookes University during September 2021.

In common with the Site Visit to Nottingham Trent University, we continue to rely on the WSP Report, together with a Life Cycle Report produced by URSL. We also note that a further WSP report was commissioned by BCP to support review and analysis of certain works undertaken at Oxford Brookes during summer 2016.

During the Site Visit we met with local and group staff, as well as with a senior representative from the University. We examined the condition of the property in conjunction with the comments made in the WSP Report and the May 2016 WSP report in connection with any major capital expenditure (exceeding £500,000), planned maintenance and lifecycle expenditure over the next 12 months, material disputes, breaches and deductions, litigations and claims and other matters. We were satisfied with the current condition of the property.

We viewed some of the exceptional Sinking Fund works undertaken during summer 2021 and noted the extensive roof remediation works undertaken recently, noting that these are reported to have cost about £488,000, but were funded by URSL and therefore did not impact the Operating Budget (or therefore operating expenditure) of the AssetCo.

2. CASH MANAGEMENT AND OPERATING BUDGET

2.1. Collections

The Monitoring Adviser is required to review ParentCo's Bi-Annual Cash Management Report.

Based upon the summary information presented, Bishopsfield is comfortable that the relevant payments are being made in a timely manner and in accordance with the relevant On-Loan Agreement and other Transaction Documents.

2.2. Operating Budget

The Monitoring Adviser is required to review the Operating Budget of ParentCo and each AssetCo at least annually. Bishopsfield reviewed the Operating Budgets for the 12 months commencing 1 September 2021 and found the reviewed Operating Budgets to be reasonable based upon the information available to us at such time and:

- The performance and financial condition of the business of each applicable AssetCo and the Group; and
- Historic expenditure of the relevant AssetCo or the Group; and
- The debt service requirements of each AssetCo to the Issuer; and
- Compliance with the terms of the relevant On-Loan, if applicable.

The Operating Budgets do include certain exceptional cost items related to the Duryard Hall (at Exeter) remediations and the Francis Drake Hall remediations. The former has already been approved by the ISC whilst the latter are anticipated to be the subject of an MA Proposal Request.

3. INVESTOR REPORTING

The Issuer is required to publish an Annual Investor Report within 120 days following its financial year end – i.e. prior to 29 December 2021 for the recently ended financial year. In addition, the Issuer or ParentCo must provide a draft of said Annual Investor Report to BCP not less than 30 Business Days prior to the proposed date of publication.

Bishopsfield has reviewed the Issuer's draft Annual Investor Report[4]. On the basis of the information provided and discussions held with the Issuer's management in the ongoing undertaking of the Monitoring Adviser Services, Bishopsfield agrees the matters stated in the Issuer's draft Annual Investor Report, noting that we have not yet had sight of the relevant audited financial statements for the year-ended 31 August 2021.

This document forms the MA Addendum that BCP is required to issue as an addendum to the Issuer's Annual Investor Report.

4. SINKING FUND REVIEW

The Monitoring Adviser is required to review the Lifecycle Report provided against the sufficiency of the each AssetCo's sinking fund reserves held in the relevant Sinking Fund Reserve Account to meet Projected Lifecycle Maintenance Costs.

Lifecycle Reports can be prepared by the FM Provider (URSL) or an independent and suitably qualified property consultant. The Lifecycle Reports reviewed to date have been prepared by URSL.

The Lifecycle Report should report on lifecycle maintenance costs projected to be required over the following 60 months to maintain the condition of each Relevant Property in good working order, of a quality consistent with those of alternative accommodation available in respect of the relevant university and consistent good industry practice. URSL has provided ten-year projections. Following Bishopsfield's review of the Lifecycle Report presented during April 2021, using a Test Date of 28 February 2021 for calculations of the Sinking Fund Required Amounts, we can confirm that all Sinking Fund Reserve Accounts had excess funds available as of 28 February 2021 relative to the Sinking Fund Required Amounts.

The Monitoring Adviser has reviewed the projected expenditure identified by URSL and believe that it is reasonable given the information available to us about the condition and plans for each asset noting, in particular, the exceptional Sinking Fund expenditure recently undertaken at and contemplated as a result of the sinking fund related MA Proposal Request considered in August 2021 and the exceptional remediation works undertaken at Exeter (which should reduce future sinking fund works at the Exeter properties over coming years).

We draw ISC attention to our comments in our 2020 MA Addendum relative to the WSP authored Lifecycle Report on the Plymouth Properties. All Sinking Fund Reports received this year from UPP have followed a consistent methodology and approach to that adopted by WSP, providing further comfort as to the adequacy of the relevant Sinking Fund reserves.

[4] Initial draft received 12 November 2021

E. Monitoring under Stress Conditions[5]

In accordance with Paragraph 1.4 of Part 1 of Schedule 10 of the CTA, a Trigger Level 2, Phase1 Monitoring Trigger Event is crystalised if an AssetCo does not exhibit Projected AssetCo DSCR or Historic AssetCo DSCR on a Test Date of equal to or greater than 1.05:1, and the Projected Senior DSCR and Historic Senior DSCR is greater than 1.15:1 on that Test Date.

1. UPP (Plymouth Three) Limited

The relevant ratios reported for UPP (Plymouth Three) Limited ('Plymouth AssetCo') at the 31 August 2019 Test Date included in the Compliance Certificate dated 30 August 2019 were:

Ratio	31 August 2019	Lock-Up	Default
Historic ADSCR[6]	0.53	Level 1: 1.15	Level 2: 1.05
Projected ADSCR[6]	1.06	Level 1: 1.15	Level 2: 1.05
Historic Senior DSCR	1.29	1.15	1.05
Projected Senior DSCR	1.29	1.15	1.05

[5] As defined in Schedule 1, Part 2 of the MSA
[6] ADSCR = Plymouth AssetCo DSCR

Following a Trigger Level 2, Phase 1 Monitoring Trigger Event, the MSA requires:

- ParentCo and the relevant AssetCo to prepare a remedial plan, including a proposed cure period and specific and measurable milestones (including appropriate timeframes for achieving such milestones) to rectify such underperformance including, without limitation to increase revenues or reduce indebtedness (the 'Performance Objectives'); and
- The Monitoring Adviser to actively engage with ParentCo and the relevant AssetCo, consulting and commenting on the remedial plan.

For reference, if the Performance Objectives are not being met or if the proposed remedial plan or Performance Objectives do not have the effect of increasing the relevant ratios for the relevant AssetCo above 1.05:1 within the suggested cure period or, if shorter, a three-year period, then a Trigger Level 2, Phase 2 Monitoring Trigger Event will occur.

The draft remedial plan was discussed with BCP during September and October 2019; following such consultation, the remedial plan was presented to BCP and is being implemented by the relevant UPP parties. Updates to the remedial plan have been presented periodically through the last two years reflecting specific circumstances arising in relation to progress of remedial works at Robbins and Gilwell Halls and the more recently identified cladding defects identified at Francis Drake Hall.

BCP is required to provide a quarterly review report to the Issuer, the Issuer Security Trustee and the Issuer Secured Creditors stating its views and analysis of the Trigger Level 2, Phase 1 Monitoring Trigger Event. We are, in addition, required to meet with the officers or other appropriate personnel of the relevant University who shall provide information reasonably required by us for the purposes of making an assessment of the reasons for the relevant AssetCo failing to achieve the expected business and financial performance standards, to the extent that the under-performance is attributable to any matter concerning the University or the arrangements between the relevant University and the AssetCo and ParentCo.

We have received quarterly reports from ParentCo providing an update on implementation; in response, BCP has submitted nine quarterly review reports. The following table summarises progress against each of ParentCo's Performance Objectives:

Ref	Performance Objective Description	Status	MA Comment
1.0	Occupancy to achieve 95% during the 2019/20 academic year	98.7% reported to have been achieved	Reported to represent 22 void rooms.
1.1	Continuing student campaign	Booking Portal Open	Returner campaign was launched on 2 February 2020, with booking portal opened on 15 February 2020. UPP reports that 51 (24 and 46 as at 29 February 2020 and 31 May respectively) contracts were signed for 2020/21 academic year under this initiative.
1.2	Occupancy to achieve 99% during the 2020/21 academic year	99.6% projected to be achieved	UPP projects achieving 99.6% occupancy despite some rooms being made unavailable due to a cladding issue at Francis Drake hall.
1.3	Occupancy to achieve 99% during the 2021/22 academic year	Marketing has commenced	Data available Autumn 2021; forecast data anticipated early summer 2021.
2.0	Completion of the 2018/19 Works to budget and on time	Reported as complete on budget and on time	UPP report that students moved into halls on 14/15 September 2019.
2.0	Confirm 2019/20 Works programme	Works programme agreed	UPP confirmed that all works would proceed despite C-19.
2.1	Completion of the 2019/20 Works to budget and on time	Certain works deferred to summer 2021	Most works were completed in a timely manner, whilst noting that certain items were deferred due to either Covid-19 related access restrictions or delivery of faulty materials. Aggregate value of deferred work is £133,165.
2.3	Confirm 2020/21 Works programme	Reinvestment works scope defined	UPP has defined the summer 2021 works. A works programme is reportedly being developed WSP has not raised additional material items for inclusion in the works schedule.
2.4	Completion of the 2020/21 Works to budget and on time	Reported as progressing on time and to budget; certain works deferred to summer 2022	Most works are being undertaken as scheduled and are expected to be completed prior to the September 2021 student arrivals. However, reportedly in consultation with the University, certain works have been deferred to Summer 2022. The aggregate value of deferred work is reported to have risen to £154,491 (previously estimated to be circa £58,000).
3.0	Student feedback on the 2018/19 Works	Focus group was arranged	Feedback suggests internal environment exceeds expectations generated through student-facing websites; negative comments appear to focus on kitchens, especially at Robbins.

Ref	Performance Objective Description	Status	MA Comment
4.0	Commission Lifecycle Report	Report was commissioned from WSP	WSP has presented its findings on Robbins and Gilwell halls. The full report including the remaining Plymouth halls was presented in April 2020.
4.1	Review report and agree programme of works and budget	Report presented in final form on 21 April 2020	Report made several recommendations; these are being discussed or have been implemented.
4.2	Refine Remedial Plan to incorporate Lifecycle Report recommendations	'Gaps' report submitted to inform any refinement	'Gaps' report updated noting deferred works from summer 2020.

Some further Performance Objectives were defined by ParentCo in its February 2021 report relative to the 2021/22 returner campaign:

Ref	Performance Objective Description	Status	MA Comment
1	University decide on returner strategy for 2021/22	Reported as decided by 1 December 2020	Reported to target 125 returners.
2	Returner campaign designed and agreed	Campaign launched	Returner campaign was launched on 2 February 2021 with a focus on Robbins, Gilwell, Radnor and Pilgrim rooms.
3	Bookings for returners opened	Booking Portal Open	Reported to be open on 15 February 2021; we have checked that the portal is open.
4	Targeted number of returners secured	UPP reports limited success against target	UPP report limited overall success of the returner campaign; this is put down to the uncertainty created by the ongoing Covid-19 situation.
5	Booking portal open for applications	Booking portal open	Opened on time; UPP advises that applications for the University are up by about 18% year on year.
6	Monitor bookings	Occupancy reported to be 99.66%	UPP reported strong take-up through August and September 2021.

As the Robbins and Gilwell related Works have extended through until summer 2022, we have discussed with and received from UPP updated Performance Objectives relative to the 2022/23 returner campaign; these are broadly comparable with the prior year, and we will report against them as the year progresses.

The investment undertaken in the form of the 2018/19 Works, the 2019/20 Works and the 2020/21 Works during summers of 2019, 2020 and 2021 respectively appears to be having a positive initial impact on occupancy and student experience. We are encouraged that the University sought the deferral of certain 2020/21 Works to summer 2022 as this reflects, as we understand it, general satisfaction with the prioritisation of such investment works and student satisfaction survey results, noting that we would have been concerned if the delay to the 2020/21 Works (as defined in the August 2019 MA Proposal Request) had been as a result of management decisions made without consultation with the MA and the Issuer Secured Creditors.

We will monitor closely booking take-up through the coming winter as, hopefully, the impact of Covid-19 on student demand becomes less of a factor. We will also seek feedback from student satisfaction surveys.

As of 30 November 2021, UPP advises that the Plymouth AssetCo anticipates being 99.66% occupied during the current Financial Year with the Robbins, Gilwell and Francis Drake Halls Properties over 98% occupied.

UPP has discussed in recent reporting the matters identified at Francis Drake Hall following certain external wall risk assessments being undertaken. UPP reports that the risk assessments were undertaken by qualified consultant fire engineers and that the reports confirmed issues with the external cladding build which require remediation within a twelve-month period. UPP Group Holdings Ltd has reportedly engaged Kier Construction under a pre-construction services agreement to undertake the remedial works. The MA has engaged Clifford Chance to advise relative to the consents that arise as a result of the remedial works, including relative to the contemplated legal agreements with the Plymouth AssetCo; we have also engaged a specialist consultant (Paul Nash Consultancy) to review the risk assessments and specialist reports and provide advice to ourselves relative to technical considerations arising, including the ongoing monitoring of the remediation works.

UPP has advised that management projects that the Trigger Level Monitoring will likely continue until the February 2023 Test Date as a result of the situation arising at Francis Drake Hall.

UPP has prepared a preliminary remedial plan (the **"Preliminary Plan"**) to cover the interim period until any consent request is submitted; we have recommended that any consent approval is conditional on a satisfactory and comprehensive remedial plan being presented concurrently to the Monitoring Adviser. The Preliminary Plan is summarised as follows:

Ref	Performance Objective Description	Status	MA Comment
1	Achieve 98% occupancy at Francis Drake for the 2021/22 and 2022/23 Financial Years	Occupancy reported to be 100% for the 2021/22 Financial Year	We understand that the University of Plymouth is subsidising rents for the students whose rooms are directly impacted by the works. Rent setting for 2022/23 is being finalized.
2	Remedial works are being carried out in line with the construction programme and within budget	Enabling works, including scaffolding and some cladding removal, reported to have taken place	We have received preliminary reports for October and November; the MA has provided feedback on enhancements required to the reporting to inform future monitoring.
3	Maintain student satisfaction with accommodation	No works-related complaints have been reported	The MA considers that maintaining student satisfaction is key to promoting long-term occupancy of the property.
4	Maintain University of Plymouth engagement	Discussion being arranged	The MA understands that the University of Plymouth remains supportive of the remedial works and the plans.
5	Health & Safety of the students and workforce	TBD	The MA believes that maintaining a safe working environment for both workers and students is essential.

We are concerned by the time taken by UPP to prepare and present an MA Proposal Request relative to the matters arising at Francis Drake Hall; however, we do note that we have been afforded specialist advisors to assist us in evaluating the risks arising from an Issuer Secured Creditor perspective, and the development of a monitoring framework.

We are comforted that the enabling works are reported to have taken place with minimal disruption to student occupants and that no health and safety incidents have been reported.

As we develop our analysis of the remedial plan, we are mindful of the risks arising, from a cost and project planning perspective, from additional defects being identified as the existing cladding and exterior materials are removed. As we understand it from UPP, no such matters, aside from those considerations identified in the initial risk assessments, have come to light to date.

The observed ratios during the twelve months to 31 August 2021 are as follows:

Test Date	Historic ADSCR	Historic Occupancy reported (for the most recent academic year)	Occupancy used for Projected ADSCR for following academic year	Projected ADSCR	Reference Source
31 August 2020	1.27x	97.8% (2019/20 academic year)	99.7% (2020/21 academic year)	1.27x	Audited Accounts Compliance Certificate (15 Dec 2020)
28 February 2021	1.31x	99.7% (2020/21 academic year)	99% (2021/22 academic year)	0.31x	Half Year Management Accounts Compliance Certificate (29 Apr 2021)
31 August 2021	0.97x	99.7% (2020/21 academic year)	99% (2021/22 academic year)	0.39x	Distribution Compliance Certificate (31 Aug 2021)

The Historic ADSCR and Projected ADSCR in relation to the Plymouth AssetCo observed for the Test Date 31 August 2021 remain below the relevant trigger level.

We continue to monitor the actual net cash flows received across the Plymouth AssetCo properties closely to ensure that the current Projected ADSCR remains a fair reflection of actual performance, including the impact of any changes to the costs forecast to arise as a result of the Francis Drake Hall cladding remediation.

In addition, we will monitor closely student satisfaction across the various Plymouth Properties and demand for the 2022/23 Financial Year.

In summary, we observe that the investment undertaken in the form of the 2018/19 Works, the 2019/20 Works and the 2020/21 Works (undertaken during summer 2019, 2020 and 2021 respectively) appears to have had a positive impact on occupancy at Robbins and Gilwell.

We continue to periodically engage with representatives from the University of Plymouth to understand sentiment relative to the various activities at the Plymouth Properties.

We visited the Plymouth Property on 31 August 2021 and observed several rooms and communal facilities at Robbins and Gilwell Halls that have been enhanced through the works contemplated in the August 2019 MA Proposal Request. We were also able to view the formative enabling works commencing at Francis Drake Hall.

Trigger Level Monitoring is required to continue until the relevant ratio(s) each remains above specific thresholds for two consecutive Test Dates. Presently, ParentCo's remedial plan projects returning to Monitoring under Normal Conditions in respect of the Plymouth AssetCo once compliance has been demonstrated on 28 February 2023 Test Date.

2. UPP (Kent Student Accommodation) Limited

As highlighted in our last MA Addendum, UPP management identified to us that the Kent AssetCo accommodation was likely to be materially under-occupied through the 2020/21 academic year. This resulted in a Trigger Level 2, Phase 1 Monitoring Trigger Event occurring as at the 31 August 2020 Test Date when the Projected ADSCR fell to 0.63x. In common with the situation arising relative to Plymouth, certain actions then arose, that led to the development of a remedial plan that introduced certain performance objectives, against which we have proceeded to monitor the Kent performance through the last Financial Year.

The situation at Kent was precipitated by the Covid-19 pandemic impact on demand for post-graduate accommodation. As the 2020/21 academic year admissions unfolded through September 2020 in parallel with increased government restrictions on travel, non- UK post-graduates chose not to, or found it very challenging to travel and take up accommodation. This led to the Kent accommodation being only 67.4% occupied through the 2021/2021 Financial Year.

UPP and the University anticipated that the post graduate students would arrive for on-campus learning in January 2021 leading to improved occupancy for the lent and trinity terms; the government-imposed travel restrictions during December 2020, followed by the national lockdown imposed in January 2021 restricted movement to the point that occupancy remained at the same level as during the Advent term.

The following table provides commentary from the MA relative to the ParentCo and AssetCo performance against their own defined performance objectives for the period to 31 August 2021:

Ref	Performance Objective Description	Status	MA Comment
1	UPP propose marketing mitigation plan to maximise void back fill activity during Nov. 2020	University confirm plan implemented	The plan did not result in any material uplift in occupancy, primarily due to the January 2021 lock-down limiting potential for international student arrivals.
2	Monthly monitoring of AY2020/21 activity via M&A forum (from Nov. 2020 through Aug. 2021)	Reported as completed	UPP report that information is being captured on a timely basis: A daily automated report from the University's booking system is shared with UPP, this contains sales activity by room. This is used to track sales performance against historic performance/target, the credit and void transfer and establish the revenue position in advance of the contracted payment dates.
3	Rent setting complete for AY2021/22	Reported as completed	We have validated UPP's report that rents have been published by 31 December 2020 (Accommodation prices 2021/22 – Accommodation - University of Kent).
4	Booking portal open for AY2021/22 applications	Reported as complete	We have validated UPP's report that the portal was opened on 14 January 2021. (University of Kent - the UK's European university).

Ref	Performance Objective Description	Status	MA Comment
5	Returner campaign designed and agreed	Reported as complete	UPP report that the campaign was launched on 14 January 2021.
6	Monitor bookings via University feeds	Ongoing	UPP confirm that booking levels are being monitored via daily information feeds.
7	University complete supply and demand proforma (inc. returner target)	Reported as complete	There was a returner target of 94 Undergraduate rooms out of 327 rooms and 20 out of 217 rooms for post-graduates (i.e., 114 out of 544 rooms across the Kent AssetCo accommodation).
8	UPP to undertake 'post-graduate ("PG") test' to inform supply and demand assessment	Reported as complete	UPP report a PG allocation 80% of previous inhouse PG performance as at 31 January 2021. We understand that, for 2020/21, 268 rooms were rented to post-graduates, meaning that at least 214 rooms (80% of 268) must be offered to PG in 2021/22. The actual level of PG students is reported to be (as at 13/9/21) 244 for AY2021/22.
9	Returner offers released from 1 March 2021	Reported as complete	UPP report that the University and UPP are satisfied with the number of returners.
10	Create a Vacation strategy to maximise 20/21 performance by 31/3/21	Reported as complete	Strategy has been developed; we understand that this was discussed with the University during March 2021 and includes creating availability for pre-sessional English courses at £7.50 per night, with such bookings confirmed during June and July 2021.
11	Targeted number of returners secured for campus	Ongoing	University and UPP reported to be comfortable with number of returners. UPP reports 25 returner applications from PG students with 11 acceptances.UPP reports that 122 under-graduate ("UG") returner applications have been accepted out of 127 applications. Overall, 257 UG and 43 PG applications had been accepted as at 20/8/21 (as against 87 and 1, respectively, as at 20/8/20).
12	UF offers released from May	Update due in May 2021	UPP report that Unconditional Firm ("UF") Academic Offers have been released in keeping with the relevant Administration Agreements. UPP reported lettings at 55.1% versus 16% for the prior year.
13	CF offers released from July	Reported as complete	A 98% nomination for occupancy and revenue was received for Woolf College.
14	Clearing accommodation application open	Reported as complete	No further action; clearing reportedly saw almost all surplus available accommodation being sold.

UPP has reported to us that 542 rooms have been booked for the 2021/2022 academic year (out of 544 rooms available) equating to a projected 98.3% occupancy rate.

A further set of comparable performance objectives have been developed for the current academic year, against which we will continue to monitor and report on UPP's performance.

The following table summarises the ratios reported since the inception of MA Trigger Level reporting at Kent:

Test Date	Historic ADSCR	Historic Occupancy reported (for the most recent academic year)	Occupancy used for Projected ADSCR for following academic year	Projected ADSCR	Reference Source
31 August 2020	1.49x	97.8% (2019/20 academic year)	68% (2020/21 academic year)	0.63x	Audited Accounts Compliance Certificate (15 Dec 2020)
28 February 2021	1.15x	68% (2020/21 academic year)	99% (2021/22 academic year)	1.16x	Half Year Management Accounts Compliance Certificate (29 Apr 2021)
31 August 2021	0.58x	68% (2020/21 academic year)	99% (2021/22 academic year)	1.56x	Distribution Compliance Certificate (31 Aug 2021)

We will monitor through the marketing phase for the 2022/23 Financial Year the student satisfaction with the significant number of kitchens and other accelerated Sinking Fund works undertaken during summer 2021 and observe the impact on student take-up for rooms through the early part of the marketing cycle.

We undertook a Site Visit to the University and the Kent AssetCo Property on 9 September 2021. We were unable to meet with the University during the Site Visit; however a call occurred on 14 September 2021 with key representatives that emphasised that take-up for the Woolf accommodation is strong and that the kitchen enhancements undertaken through summer 2021 are being well received.

Presently, ParentCo's remedial plan projects returning to Monitoring under Normal Conditions in respect of the Kent AssetCo once compliance has been demonstrated on either the 31 August 2022 or 28 February 2023 Test Date.

The Monitoring Adviser has prepared this MA Addendum based upon information received by the Monitoring Adviser. This MA Addendum has not been prepared on the basis of any information that has been identified as inside information. The Monitoring Adviser has no responsibility for the adequacy or accuracy of any of the information or documentation provided to it in connection with the Monitoring Adviser Services and may act on the opinion or advice of, or a certificate or any information from, advisers or experts. In preparing this MA Addendum, the Monitoring Adviser has performed only those services it is obliged to carry out in accordance with the Monitoring Services Agreement and has done so in accordance with the Monitoring Adviser Standard. The Monitoring Adviser is not a fiduciary and is not liable for any loss, liability, claim, expense or damage suffered or incurred by any Noteholders, any other Issuer Secured Creditor, the Issuer, the ParentCo, any AssetCo or any other Transaction Party with respect to the performance of its obligations under the MSA or the Issuer Deed of Charge, save for any loss suffered by the Bondholders resulting from its fraud, gross negligence or wilful default.

The Monitoring Adviser makes no representation or warranty, express or implied, that the documentation and opinions referred to herein, or the information contained or the assumptions on which they are based are accurate, complete or up-to-date in each case other than the opinions of the Monitoring Adviser as at the date of this MA Addendum based upon such information. The Monitoring Adviser has no obligation to update any such opinions other than in accordance with its obligations under the MSA.

This MA Addendum is not a recommendation or inducement to buy, sell or hold any securities (including those issued by UPP Bond 1 Issuer PLC).

Photo credit: Robert Greshoff

AssetCo summaries

Appendix 1

UPP (Alcuin) Limited, University of York

Historic Senior Debt Service Cover Ratio (DSCR)

	2021
	£000's
EBITDA after sinking fund per profit and loss	**4,927**
Add:	
Sinking fund expenditure	397
Interest receivable	11
Deduct:	
Sinking fund deposit	(1,144)
Total movement	**(736)**
Total cash available for debt service	**4,191**
Debt service	
Interest	2,124
Fixed rate debt principle repayment	1,262
Total debt service	**3,386**
Annual Debt Service Cover Ratio (ADSCR) calculations	
ADSCR – default	1.05
ADSCR – lock up	1.15
ADSCR – actual	1.24
Headroom over default	635
Headroom over lock up	296

The Historic Senior Debt Service Cover Ratio has been calculated as per the definition in the Common Terms Agreement ('CTA').

York
740 ROOMS FEBRUARY 2001 **NB**
304 ROOMS SEPTEMBER 2007 **ET**

ET – Estate Transfer
NB – New Build

UPP (Alcuin) Limited, University of York

Key metrics

Area	Metric	2021	2020
Site operations	Occupancy	**100.0%**	100.0%
Finance	EBITDA*	**£4.9m**	£4.9m
	ADSCR	**1.24**	1.36
Health and safety	Injury incident rate	**0.00**	0.00
Environment	Tonnes of CO_2 emissions	**1,049**	1,287
FM performance	Performance deductions	**None**	None
	Availability deductions	**None**	None

**EBITDA after sinking fund expenditure*

Sinking Fund

The sinking fund spend for the year was £397k (2020: £129k), with the movement between years relating to the replacement cycle of the assets. Annual spend is not directly comparable year on year.

Outlook for the new financial year

The Company has budgeted occupancy of 100.0% for 2021/22. Rents for the academic year 2022/23 will be set during Q2 of 2021/22.

University outlook

A member of the Russell Group, the University of York is a world-class institution. It was recently ranked within the top 20 institutions in the UK by the Sunday Times Good University Guide 2022 and was shortlisted for University of the Year. It is currently ranked 151 globally in the QS World University ranking. Founded in 1963, the University is set within a 200 acre parkland campus within walking distance of the City. It remains one of only a handful of University to operate a collegiate system and this alongside its focus on developing its employability initiatives, skills and careers support that helped the university to achieve gold in the Teaching Excellence Framework.

Over the last two decades, the University has continued to invest in research, teaching and campus facilities. During that time twenty new buildings have been added on the original Heslington West campus and a £750m expansion has delivered modern resources at the linked Heslington East campus. A new building for the management school opened in early 2021, fitted with bespoke teaching and learning areas to accommodate the growing department.

Full time student enrolments at the University of York have increased by 16.9% over the last five years a real terms increase of more than 2,500 students – a compound annual growth rate of 3.6% per annum. Significant increases have taken place at both the undergraduate and postgraduate level. UK students make up the majority of the increase in student numbers, growing by 18% whilst EU student numbers fell by 8% and the non-EU cohort increased by 31%.

The student body has become less localised with 84% of students now domiciled outside of Yorkshire and Humber - non-regional students have increased by 20% which impacts positively on student demand. This year student number growth has slowed to under 200. The demand pool has grown faster than overall student numbers due to the growth in non-regional students and now sits at 2.5:1 for all students and 1.2:1 for first years, comfortably above UK averages.

For information on the University of York's strategy (2030);
https://features.york.ac.uk/strategy/index.html

UPP (Broadgate Park) Holdings Limited, University of Nottingham

Historic Senior Debt Service Cover Ratio (DSCR)

	2021
	£000's
EBITDA after sinking fund per profit and loss	**6,303**
Add:	
Sinking fund expenditure	**1,146**
Interest receivable	**21**
Deduct:	
Sinking fund deposit	**(1,064)**
Total movement	**103**
Total cash available for debt service	**6,406**
Debt service	
Interest	**3,898**
Fixed rate debt principle repayment	**1,665**
Total debt service	**5,563**
Annual Debt Service Cover Ratio (ADSCR) calculations	
ADSCR – default	**1.05**
ADSCR – lock up	**1.15**
ADSCR – actual	**1.15**
Headroom over default	**565**
Headroom over lock up	**9**

The Historic Senior Debt Service Cover Ratio has been calculated as per the definition in the Common Terms Agreement (CTA).

Nottingham

1,120 ROOMS MAY 2003 **ET**
1,109 ROOMS SEPTEMBER 2003 **NB**

ET – Estate Transfer
NB – New Build

UPP (Broadgate Park) Holdings Limited, University of Nottingham

Key metrics

Area	Metric	2021	2020
Site operations	Occupancy	**91.0%**	98.8%
Finance	EBITDA*	**£6.3m**	£8.0m
	ADSCR	**1.15**	1.44
Health and safety	Injury incident rate	**8,451**	4,286
Environment	Tonnes of CO2 emissions	**2,735**	2,537
FM performance	Performance deductions	**None**	None
	Availability deductions	**None**	None

**EBITDA after sinking fund expenditure*

Sinking Fund

Sinking fund expenditure for the year was £1,146k (2020: £408k). The movement between years relates to the replacement cycle of the assets. Levels of annual spend are not directly comparable year on year.

Major works during the year included bedroom, bathroom and kitchen refurbishments, as well power and lighting upgrades.

Outlook for the new financial year

The Company has budgeted occupancy of 96.8% for 2021/22. Rents for the academic year 2022/23 will be set during Q2 of 2021/22.

University outlook

The University of Nottingham continues to be one of the most popular destinations for students in the UK. The University is ranked 26 in the UK by The Sunday Times Good University Guide 2022. It was also ranked 103 in the world by the QS World University Rankings. Applications continue to increase at Nottingham, with the University receiving more than 54,000 applications each year and nearly eight students chasing each academic place. Nottingham's 330-acre University Park campus is one of the most attractive in the UK, seizing several environmental awards in recent years. In one of its ambitious developments, the £23m Biodiscovery Institute, brings together experts in serious diseases, including cancer, cardiovascular, liver, bone and respiratory conditions to encourage collaboration and drive breakthroughs in treatments and diagnosis.

The University has committed to refurbishing or redeveloping all of its student halls on its University Park Campus and it is spending £21m developing accommodation for 280 students at the Jubilee campus. The former programme is now underway with the renovation of Florence Boot Hall. Since 2014/15 enrolments have continued to rise. Enrolments have grown by over 4,500 in the last five years, 1,600 of which were from outside of the UK (all growth from outside of the EU). The University is now home to 19,000 18-20-year-olds. The residential demand pool has increased by nearly as much as the overall growth in numbers, rising by nearly 4,400 between 2014/15 and 2019/20.

The first-year pool has increased by 3,500, and the rapid increase in first year pool will likely lead to further growth in the demand pool over the next two years. The institutional student to bed ratio now sits at 2.9:1, nearly 50% above the UK average.

For information on the University of Nottingham's strategy;
www.nottingham.ac.uk/strategy/home.aspx

UPP (Kent Student Accommodation) Limited, University of Kent

Historic Senior Debt Service Cover Ratio (DSCR)

	2021
	£000's
EBITDA after sinking fund per profit and loss	**1,139**
Add:	
Sinking fund expenditure	**515**
Interest receivable	**6**
Deduct:	
Sinking fund deposit	**761**
Total movement	**240**
Total cash available for debt service	**899**
Debt service	
Interest	**1,165**
Fixed rate debt principle repayment	**409**
Total debt service	**1,574**
Annual Debt Service Cover Ratio (ADSCR) calculations	
ADSCR – default	**1.05**
ADSCR – lock up	**1.15**
ADSCR – actual	**0.57**
Headroom over default	**911**
Headroom over lock up	**754**

The Historic Senior Debt Service Cover Ratio has been calculated as per the definition in the Common Terms Agreement (CTA).

Kent

544 ROOMS OCTOBER 2007 **NB**

NB – New Build

UPP (Kent Student Accommodation) Limited, University of Kent

Key metrics

Area	Metric	2021	2020
Site operations	Occupancy	**67%**	100%
Finance	EBITDA*	**£1.1m**	£2.3m
	ADSCR	**0.57**	1.49
Health and safety	Injury incident rate	**8,696**	5,000
Environment	Tonnes of CO2 emissions	**589**	533
FM performance	Performance deductions	**None**	None
	Availability deductions	**None**	None

**EBITDA after sinking fund expenditure*

Sinking Fund

The sinking fund expenditure for the year was £515K (2019: £476k). This movement between years relates to the variable replacement cycle of the assets. Annual spend is not directly comparable year on year.

Outlook for the new financial year

The Company has budgeted occupancy of 98.3% for 2021/22. Rents for the academic year 2022/23 will be set during Q2 of 2021/22.

University outlook

The University of Kent has improved it's Sunday Times Good University Guide ranking for 2022 by two places to 46. Operating a college-based system with academic as well as residential facilities, the Canterbury campus has six colleges, with every student attached to a college which becomes the epicentre of their social lives whilst at university. Organised in this way, Kent has secured gold in the Teaching Excellence Framework and this is supported by a strong performance in the Research Excellence Framework (REF)

Kent's main 300-acre campus overlooking the City features 1960s low-rise buildings alongside facilities such as £18.8m economics building which opened in 2019. Recent developments also include a £4m indoor tennis and events centre. Last year the University opened the Pears Building at the Canterbury campus for Kent Medway Medical School, which will have a 150-seat lecture theatre, seminar rooms, social spaces and a GP simulation suite among its facilities.

With 5,384 residential spaces, Kent is one of the best-provided universities for accommodation. A £3m hub opened in 2018 in the Park Wood student village on the Canterbury campus, which includes a shop, café/bar and dance studios. The local housing market remains characterised by an overall lack of private rented supply for students, a restrictive planning environment and only two direct-let operators of purpose-built student accommodation.

In 2020 the University of Kent's demand pool fell for the second year in a row. Overall, student numbers fell by 580 in the academic year 2019/20, with just under half of this decrease domiciled outside of the UK. Since 2014/15, the non-UK population has decreased in number by just over 700, remaining level at 4,400 until 2017/18 and then reducing slightly in the last two years. The first-year population this year has declined by 600, with likely subsequent implications for the all-year student population for the next three years, even if it returns to previous levels. Despite the fall in student enrolments and the demand pool in the last year, the student to bed ratio is still above national averages and is roughly in line with last year 2.3:1.

For information on the University of Kent's strategy (2025):
www.kent.ac.uk/strategy

UPP (Nottingham) Limited, Nottingham Trent University

Historic Senior Debt Service Cover Ratio (DSCR)

	2021
	£000's
EBITDA after sinking fund and pension costs per profit and loss	**7,628**
Add:	
Sinking fund expenditure	**2,009**
Interest receivable	**24**
Deduct:	
Sinking fund deposit	**(2,298)**
Pension costs	**(35)**
Total movement	**300**
Total cash available for debt service	**7,328**
Debt service	
Interest	**4,144**
Fixed rate debt principle repayment	**2,007**
Total debt service	**6,151**
Annual Debt Service Cover Ratio (ADSCR) calculations	
ADSCR – default	**1.05**
ADSCR – lock up	**1.15**
ADSCR – actual	**1.19**
Headroom over default	**869**
Headroom over lock up	**254**

The Historic Senior Debt Service Cover Ratio has been calculated as per the definition in the Common Terms Agreement (CTA).

Nottingham Trent

2,327 ROOMS APRIL 2002 **ET**

446 ROOMS SEPTEMBER 2003 **NB**

ET – Estate Transfer

NB – New Build

UPP (Nottingham) Limited, Nottingham Trent University

Key metrics

Area	Metric	2021	2020
Site operations	Occupancy	**100.0%**	100.0%
Finance	EBITDA*	**£7.6m**	£8.3m
	ADSCR	**1.19**	1.34
Health and safety	Injury incident rate	**4,082**	3,846
Environment	Tonnes of CO2 emissions	**2,875**	2,693
FM performance	Performance deductions	**None**	None
	Availability deductions	**None**	None

**EBITDA after sinking fund expenditure*

Sinking Fund

The sinking fund spend for the year was £2,009k (2020: £1,097k). The movement between years relates to the replacement cycle of the assets. Annual spend is not comparable year on year.

Outlook for the new financial year

The Company has budgeted occupancy of 100.0% for 2021/22. Rents for the academic year 2022/23 will be set during Q2 of 2021/22.

University outlook

Nottingham Trent University (NTU) has the single largest recruiters of undergraduates in the UK. Whilst enrolments have continued to increase, the University fell 17 places in the Times Good University Guide for 2022, driven by the challenges of satisfying students during the COVID-19 pandemic. In the most recent National Student Survey its score fell by 14 percentage points which positions the University just inside the top 100 institutions. Whilst at this stage, it is difficult to gauge what if any long-term impact will result, the University still receive nearly 47,000 applications each year with 5 students chasing each academic place.

In terms of enrolment growth, NTU stands out as the strongest performing AssetCo within the UPP Bond ringfence and this has seen a compound annual growth rate of 6.7% over the last five years, adding the equivalent of an extra 8,700 full time students to the residential demand pool since 2015/16. One significant source of academic demand at NTU are the number of students on year-long work placements. Most courses include placements of at least four weeks and the University have a dedicated employment team helping students to find international opportunities to study or work.

Currently, Nottingham Trent University is amongst the fastest growing and best-performing institutions in the UK, with 2,885 more students identified in the latest HESA returns for the 2019/20 academic year. The non-UK population has grown by 82% in five years but still only makes up 14% of the NTU student body. The all-year demand pool has increased by 45%, above the growth rate of student enrolments due to faster student number growth from outside of the East Midlands. Both the all-year SBR and first year SBR are more than double the national average, and only 45% of the first-year population can currently be housed in University accommodation.

For information on Nottingham Trent University's strategy;
https://www.ntu.ac.uk/about-us/university-reimagined

UPP (Oxford Brookes) Limited, Oxford Brookes University

Historic Senior Debt Service Cover Ratio (DSCR)

	2021
	£000's
EBITDA after sinking fund per profit and loss	**2,967**
Add:	
Sinking fund expenditure	605
Interest receivable	6
Deduct:	
Sinking fund deposit	(973)
Total movement	(362)
Total cash available for debt service	**2,605**
Debt service	
Interest	**1,617**
Fixed rate debt principle repayment	542
Total debt service	2,159
Annual Debt Service Cover Ratio (ADSCR) calculations	
ADSCR – default	**1.05**
ADSCR – lock up	1.15
ADSCR – actual	1.21
Headroom over default	337
Headroom over lock up	121

The Historic Senior Debt Service Cover Ratio has been calculated as per the definition in the Common Terms Agreement (CTA).

Oxford Brookes
750 ROOMS SEPTEMBER 2002 NB
20 ROOMS SEPTEMBER 2016 NB

NB – New Build

UPP (Oxford Brookes) Limited, Oxford Brookes University

Key metrics

Area	Metric	2021	2020
Site operations	Occupancy	**100.0%**	100.0%
Finance	EBITDA*	**£3.0m**	£3.2m
	ADSCR	**1.21**	1.36
Health and safety	Injury incident rate	**20,833**	0
Environment	Tonnes of CO_2 emissions	**807**	888
FM performance	Performance deductions	**None**	None
	Availability deductions	**None**	None

**EBITDA after sinking fund expenditure*

Sinking Fund

Sinking fund expenditure for the year was £605k (2020: £182k). The movement between years relates to the replacement cycle of the assets. Annual spend is not directly comparable year on year.

Outlook for the new financial year

The Company has budgeted occupancy of 100.0% for 2021/22. Rents for 2022/23 will be set in October 2022 as part of the controlled rent.

University outlook

Oxford Brookes has once again improved its position in the Times Good University Guide improving two places to 54 overall for 2022 an improvement of ten places over the last two years. The University is now in the top five post-1992 universities and it continues to be the only UK university to appear in the top-50 QS world rankings for institutions less than 50 years old. For the academic year 2020, the University attracted nearly 19,000 applications and its main scheme application to acceptance ratio improved from 4.8:1 to 5.2:1. Whilst applications had been falling – by a third between 2016 and 2019 – applications are now on the rise again. Higher offer rates and the use of "conditional unconditional" offers in 2019 ensured that the decline in enrolments has been marginal. More than 30.0% of undergraduates at Oxford Brookes come from the independent school sector, the highest proportion among the non-specialist post-1992 universities.

The University has four campuses, albeit the engineering base at Wheatley is being redeveloped for housing, however, courses that are due to be transferred to the main Headington Campus for 2022 include education, English, communications, philosophy and sport. Oxford Brookes has a strategy to expand its degree apprenticeship provision for 2035 including a 25% increase in the number of 'employer led' students.

Enrolments at Oxford Brookes have increased by 600 between 2014/15 and 2019/20. The most recent HESA data identified that enrolments increased by 510 after two years of small decreases in overall recruitment. The non-UK population has gradually fallen since 2014/15, shrinking by 5% and as of 2019/20 non-UK students only make up 18% of the total student body. The demand pool has increased by 1,000 this year, almost twice the increase in student numbers, reflecting these demographic trends.

The City Council continues to enforce strict controls on the number of students each university is permitted to house in the private rented sector within Oxford. Providing sufficient purpose-built accommodation to facilitate this, Oxford Brookes University continues to present a healthy student to bed ratio of 1.6:1.

For more information on Oxford Brookes University's strategy;
www.brookes.ac.uk/about-brookes/strategy

UPP (Plymouth Three) Limited, University of Plymouth

Historic Senior Debt Service Cover Ratio (DSCR)

	2021
	£000's
EBITDA after sinking fund per profit and loss	**4,282**
Add:	
Sinking fund expenditure	**1,018**
Interest receivable	**16**
Deduct:	
Sinking fund deposit	**(872)**
Total movement	**162**
Total cash available for debt service	**4,444**
Debt service	
Interest	**2,920**
Fixed rate debt principle repayment	**1,197**
Total debt service	**4,117**
Annual Debt Service Cover Ratio (ADSCR) calculations	
ADSCR – default	**1.05**
ADSCR – lock up	**1.15**
ADSCR – actual	**1.08**
Headroom over default	**120**
Headroom over lock up	**(291)**

The Historic Senior Debt Service Cover Ratio has been calculated as per the definition in the Common Terms Agreement (CTA).

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Plymouth

PHASE 1-3: 1,276 ROOMS 1998-2004 **ET**, **NB**
PHASE 4: 488 ROOMS DECEMBER 2006 **ET**, **NB**

ET – Estate Transfer
NB – New Build

UPP (Plymouth Three) Limited, University of Plymouth

Key metrics

Area	Metric	2021	2020
Site operations	Occupancy	**99.7%**	97.8%
Finance	EBITDA*	**£4.3m**	£5.2m
	ADSCR	**1.08**	1.27
Health and safety	Injury incident rate	**8,197**	5,882
Environment	Tonnes of CO2 emissions	**2,163**	2,088
FM performance	Performance deductions	**None**	None
	Availability deductions	**None**	None

**EBITDA after sinking fund expenditure*

Sinking Fund

The sinking fund expenditure for the year, excluding cladding works, was £1,018k (2020: £640k).

Outlook for the new financial year

The Company has budgeted occupancy of 99.5% for 2021/22. Rents for the academic year 2022/23 will be set during Q2 of 2021/22.

University outlook

Ranked 58 by the Sunday Times Good University Guide, the University of Plymouth has risen by 18 places since 2020, positioning the University in the top half of the ranking. Recently, this improvement has been driven by higher spending on student facilities and relatively steady student satisfaction scores at a time when rates have fallen elsewhere. During the COVID-19 pandemic, however, Plymouth suffered as a result of disappointing National Student Survey scores albeit that it still remains in the top third of universities for student satisfaction. The University is an 'anchor institution' and plays a key role in the economy of the South West. After an organizational redesign – including 600 redundancies and a £700m drop in fee income – the University has announced plans for a £100m campus development and thirty new courses. A new centre for nursing and health education is also in progress in Plymouth, where the University is the largest provider of training for nursing, midwifery and health professionals.

The University continues to have both national and international appeal with well over 18,500 applications per annum, a main scheme application to acceptance ratio increasing from 5.2:1 to 5.4:1 for 2020/21, an improved position for the third year in a row. By design, student numbers at the Plymouth have fallen every year since 2011/12 and have reduced at a compound annual rate of 5.6% over the last five years. The rate of decline slowed for 2017/18, with only 200 fewer students than the previous year, but in the last two years student numbers have reduced by nearly 2,000.

The subsequent fall in the demand pool has been much less significant, however, with nearly half the rate of decline in enrolments, driven by a large fall in students studying in partnership colleges elsewhere across Devon and Cornwall. These college students are not included in the demand pool due the localised nature of the student body and none would be studying on campus. Based on the most recent HESA data returns, the residential demand pool has fallen by 2,020 students between 2014/15 and 2019/20. Therefore, despite the decline in demand, the student to bed ratio has increased substantially to 5.7:1 on the basis of the University ending all nomination agreements with private providers.

For the University of Plymouth's latest strategy (2030):
https://www.plymouth.ac.uk/uploads/production/document/path/15/15835/UoP_Strategy_2030_web.pdf

UPP (Exeter) Limited, University of Exeter

Historic Senior Debt Service Cover Ratio (DSCR)

	2021
	£000's
EBITDA after sinking fund per profit and loss	**9,960**
Add:	
Sinking fund expenditure	**1,075**
Interest receivable	**20**
Deduct:	
Sinking fund deposit	**(665)**
Total movement	**430**
Total cash available for debt service	**10,390**
Debt service	
Interest	**1,464**
Index-linked debt principle repayment	**5,384**
Total debt service	**6,848**
Annual Debt Service Cover Ratio (ADSCR) calculations	
ADSCR – default	**1.05**
ADSCR – lock up	**1.15**
ADSCR – actual	**1.52**
Headroom over default	**3,199**
Headroom over lock up	**2,514**

Historic Senior Debt Service Cover Ratio has been calculated as per the definition in the Common Terms Agreement (CTA).

Exeter

2,569 ROOMS 2009-2012 ET, NB

ET – Estate Transfer
NB – New Build

UPP (Exeter) Limited, University of Exeter

Key metrics

Area	Metric	2021	2020
Site operations	Occupancy	**100%**	100%
Finance	EBITDA*	**£10.0m**	£9.5m
	ADSCR	**1.52**	1.42
Health and safety	Injury incident rate	**6,481**	4,225
Environment	Tonnes of CO2 emissions	**2,263**	1,894
FM performance	Performance deductions	**None**	None
	Availability deductions	**None**	None

**EBITDA after sinking fund expenditure*

Sinking Fund

The sinking fund expenditure for the year was £1,075k (2020: £849k). The movement between years relates to the replacement cycle of the assets. Levels of annual spend are comparable year on year.

Outlook for the new financial year

The Company has budgeted occupancy of 100.0% for 2021/22. Rents for the academic year 2022/23 will be set during Q2 of 2021/22.

University outlook

Over the last decade, the University of Exeter has become one of the most popular universities in the UK. It now accepts more than 8,000 undergraduates per annum, twice the number admitted in 2011. Exeter is rated 21 in the Times Good University Guide for 2022 having fallen nine places. This was driven by a fall in teaching quality and student experience as a result of Covid-19, however, the University continues to benefit from a more competitive sector, expanding student numbers sharply while keeping entry standards high.

The University continues to invest in its Streatham Campus, following £400m of investment over the last five years with one of the largest teaching and research infrastructure investments projects in the region located at its North Park. The University of Exeter was awarded Gold in the first Teaching Excellence Framework (TEF), as well as recording much-improved results in the REF. More than 80.0% of its large submission was rated as world-leading or internationally excellent, with the best results in clinical medicine, psychology and education.

The University remains in the top 150 institutions in the world according to The QS World University Rankings 2022 and is a member of the Russell Group of institutions, further reinforcing its world-class reputation. Over the last five years, it has grown at a compound annual growth rate of 4.7% and now enrols nearly 24,500 full-time students each year. The University received 38,385 applications for the academic term 2020/21 with a strong application to acceptance ratio of 5.5:1.

Exeter has been working to reduce the pressure on accommodation in the City, with Moberly and Spreytonway student residences becoming operational, on campus, in September 2020 and East Park having now reached practical completion ahead of the academic year 2021/22. This provides a further 1,500 student bedrooms to the current accommodation stock of 6,100 rooms. The Exeter student to bed ratio is 3.5:1, well above national averages and far higher than the five years prior.

For information on the University of Exeter's strategy (2030):
https://www.exeter.ac.uk/strategy2030/

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