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VENN PARTNERS OPENS TRADING ON LONDON STOCK EXCHANGE FOLLOWING INAUGURAL GBP265M PRS BOND FROM THE GBP3.5BN PRIVATE RENTED SECTOR GOVERNMENT GUARANTEE SCHEME

Strong demand for loans seen from borrowers and for the bonds that fund them from institutional investors

Venn Partners (“Venn”), a leading investment manager of real estate and other asset-backed loans, is pleased to have been invited to open trading on London Stock Exchange today following the recent launch, by its subsidiary PRS Finance Plc, of its first bond issue in relation to the Private Sector Guarantee Scheme (“the Scheme”) that it manages for UK Government.

PRS operators have demonstrated a continued strong interest in obtaining funding from the Scheme and Venn is currently processing some GBP1bn of loan applications, in addition to £500m already credit approved for future funding. The Scheme remains open to new applications until the end of 2017.

The bond issue, at the end of 2016, was for a total of £265m of which circa £215m to date has been lent to qualifying PRS operators, including Quintain. The balance is being retained by the issuer and will be sold to fund future applications currently being processed and expected to fund in the coming months.

The initial bond had a ten year maturity and, thanks to the Government guarantee, issued at attractive rates of UK Gilts +46 and +44 basis points, having been sold on two occasions to fund different loans.

PRS Finance Plc, a wholly-owned subsidiary of Venn Partners LLP, through which the bond was issued, is expected to become a regular issuer of bonds with varying maturities, of typically between 10 and 30 years, over the coming years. In total the Scheme is targeted to fund GBP3.5bn of PRS product to help boost the long-term growth of the sector in the UK, in response to growing demand for professionally managed rental blocks and a lack of supply of good quality stock.

Housing and Planning Minister Gavin Barwell said: “This Government is committed to creating a bigger, better private rental market so there is greater choice for tenants as we make this a country that works for everyone.

“So I’m delighted to be at the London Stock Exchange to celebrate the successful launch of this inaugural bond. Backed by £10bn government guarantees, it has already helped develop new homes that will increase supply and strengthen the sector to meet the needs of tenants well into the future.”

Richard Green, Venn Partners, commented: “We are delighted to have been invited by London Stock Exchange to open London trading today. We are pleased to see the important role that the PRS Guarantee Scheme we manage for the UK Government is playing in supporting the development of the UK institutional PRS market. We are encouraged by both the strong borrower demand for loans and the institutional investor appetite for the bonds that fund them. Venn, through our subsidiary PRS Finance Plc, looks forward to working with PRS operators in the next few years as we continue to receive and approve applications for a wide range PRS projects throughout the UK.”



Nikhil Rathi, CEO, London Stock Exchange plc said: “The success of PRS Finance’s bond listing on London Stock Exchange, the first issuance in the Government’s £3.5 billion private rented sector development scheme, underlines the strength of investor appetite in supporting the delivery of new-build private rented homes across the UK. We are delighted to welcome Venn Partners to celebrate their listing and look forward to facilitating further issuance from an increasingly broad range of issuers on our markets.”

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NOTES TO EDITORS:

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About Venn Partners:

Venn Partners is an investment manager focused on direct private lending opportunities in Europe. Its current investment activity extends across commercial, real estate finance and residential mortgage finance and other asset backed lending markets. Venn has originated over £1.3 billion of commercial real estate debt, runs a discretionary real estate investment fund, has been mandated by the UK government as the operator and manager of a £3.5 billion government guaranteed lending scheme for UK private rental housing, led the first non-bank issuance of publicly placed Dutch RMBS since the financial crisis and has established its own branded Dutch residential mortgage lending business in the Netherlands. In addition, it has developed a proprietary risk analytics system for asset-backed credit which it uses internally and licenses to external asset managers on portfolios in excess of £2 billion since inception.