



PENSION INSURANCE
CORPORATION

PENSION INSURANCE CORPORATION BUYS FIRST EVER UK SOLAR BOND

London, 22 November 2012 - Pension Insurance Corporation, a specialist provider of insurance solutions for defined benefit pension funds, today announces that it has completed the first ever UK publically-listed solar finance bond, investing £40 million as the sole buyer in a Solar Power Generation Ltd (“SPGL”) bond, which matures in 2036. The deal was arranged by Independent Debt Capital Markets.

SPGL builds, operates and maintains large-scale Solar PV parks. The company develops opportunities in the Solar PV industry on behalf of landowners and investors who wish to enjoy the beneficial returns in the generation of renewable energy. This bond is linked to two 5 megawatt solar plants in Somerset owned by the company.

The bond will provide a good match for PIC’s pension liabilities, with a highly predictable, inflation-linked cashflow from a regulated entity, stretching for 24 years. The steady cashflow is generated by the production of renewable energy, with payments made under the Feed-In-Tariff (FIT) regime. FITs are regulated by OFGEM, the Office of the Gas and Electricity Markets.

The bond will be held as part of Pension Insurance Corporation’s £6 billion portfolio and will sit alongside the recent £50 million bond issued by Raglan Housing Association, in which PIC was the sole investor. PIC’s portfolio is primarily invested in investment grade corporate bonds, UK government debt and cash. These investments match PIC’s pension liabilities and help diversify investment risk.

Mark Gull, co-head of Asset-Liability Management at Pension Corporation, said:
“Following closely on the heels of the investment we made in Raglan Housing Association, we are delighted to have bought the very first publically-listed solar bond issued in the UK. Given the significant growth in our portfolio this year, a priority for us is to source opportunities which are both a match for our liabilities and diversify the portfolio.

“Infrastructure investment will become increasingly important for the holders of long term capital, such as insurers and pension funds, as they seek yield over and above that available on gilts, in a low risk structure. We will certainly look at other opportunities as they arise.”

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Notes to Editors:

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About Pension Corporation

Pension Corporation is a leading provider of risk management solutions to the trustees and sponsors of defined benefit pension funds. Its FSA authorised and regulated insurance company, Pension Insurance Corporation ("PIC"), brings safety and security to scheme members' benefits through innovative, tailored solutions factored around pension insurance buyouts and pension insurance buy-ins. PIC has over £6bn in assets and has insured more than 60,000 pension fund members. Clients include FTSE 100 companies, multinationals and the public sector. PIC concluded the first UK public sector backed pension insurance buyout and the first buyout over £1billion. PIC is proud to work with pension fund trustees to maximise member benefits. For further information please visit www.pensioncorporation.com