



PENSION INSURANCE CORPORATION DIRECTLY INVESTS £50 MILLION IN SOCIAL HOUSING ASSOCIATION

London, 18 September 2012 - Pension Insurance Corporation, a leading provider of risk management solutions to defined benefit pension funds, today announces that it has directly funded Raglan Housing Association as the sole buyer of a £50 million bond issue. The funds will be used by Raglan to build new houses across the country. The transaction was arranged by Canaccord Genuity.

Raglan Housing is a housing association that owns and manages 12,320 homes in 95 local authority areas across the South East, South West, Midlands and East of England.

Pension Insurance Corporation's £6 billion portfolio is primarily invested in investment grade corporate bonds, UK government debt and cash. Within this, housing association and infrastructure debt is expected to play an increased role in helping the company diversify its asset portfolio. The bond PIC is buying is Investment Grade and secured on a portfolio of representative property. It provides a match for PIC's pension liabilities.

Housing association and infrastructure debt is becoming an important asset class for pension funds and other institutions with long-dated liabilities, as banks, under pressure from new banking regulations, are no longer funding long-dated, illiquid credit.

Housing associations are independent, private sector, not-for-profit bodies that provide rented homes at sub-market rates, within a strong regulatory framework with implicit Government support. There have been no bankruptcies within the sector.

Mark Gull, co-head of Asset-Liability Management at Pension Corporation, said: “Pension Corporation has had a very good year to date, with over £1.1 billion of new transactions completed. So as our portfolio continues to expand, we are constantly looking at ways of further diversifying risk. Long term investments of this nature are a very good fit for us as they are high credit quality and provide a good match for our long term liabilities.

“We will be looking at other investments in this sector and we hope that this is the first of many investments of this nature. As banks continue to pull back from long-dated funding we are very happy to work with housing associations, to help them meet their funding needs.”

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Notes to Editors:

1. Pension Insurance Corporation’s legal advisers were Wragge & Co LLP

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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

About Raglan

Raglan Housing is a housing association that owns and manages 12,320 homes in 95 local authority areas across the South East, South West, Midlands and East of England. With more than 35 years' experience in the sector, Raglan provides 9,136 general needs homes, along with 1,611 sheltered homes, 814 leasehold schemes for the elderly, 400 shared ownership, 204 supported housing, 77 intermediate/submarket rent/keyworker units, 60 service occupancy and 18 commercial units. Raglan houses some of the most disadvantaged and vulnerable members of the community. Raglan owns and manages a number of refuges for vulnerable women as well as accommodation and training for homeless young people in Poole. Raglan's work in the community extends to a range of engaging activities with residents and examples of staff and residents 'going the extra mile' for others are highlighted at our annual Community Spirit Awards.