



PENSION INSURANCE  
CORPORATION

## PIC INVESTS FURTHER £60 MILLION IN SOCIAL HOUSING

London, 27 July 2017 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, has invested £60 million with Red Kite Community Housing Limited, a regulated housing association based in High Wycombe. The funds are to be used to refinance existing debt and fund future housing development. In total PIC has invested around £900 million in social and affordable housing across the UK to date.

Financial risk advisors JCRA advised Red Kite on the funding, raised through a private placement, while NatWest Markets acted as Sole Agent.

Key points of the transaction:

- £60 million size, split across three tranches maturing in 2030, 2033 and 2040, to match PIC’s pension liabilities
- The funding arrangement will allow Red Kite to build up to 375 new homes, as well as refinancing existing debt
- Partly deferred for 12 months, providing certainty of funding cost for Red Kite, but reducing the cost of carry

To date, PIC has invested almost £3 billion in direct and bilateral deals, including with providers of student accommodation, housing, universities, and renewables. PIC has built up a considerable amount of expertise in both the sourcing and also the ongoing monitoring and risk management of such investments.

Ray Prior, Group Director of Resources, at Red Kite said: “We are incredibly pleased to have secured this new funding arrangement which gives us everything we need, particularly with greater flexibility, to deliver on our ambitious plans. We have many exciting things to do now

and the new financing makes those plans much more of a reality. For our customers, this will be invaluable in improving their homes and the lives of our communities”.

Liz Cain, Senior Debt Origination Manager at Pension Insurance Corporation, said: “We are very pleased to have worked with Red Kite on this transaction. By working directly with Red Kite we have been able to shape a funding agreement which meets the needs of both parties, allowing the development of social housing, as well as backing the payment of our policyholders’ pensions on a secured basis. I want to thank the team at Red Kite for their straightforward approach to the transaction.”

Siobhan Duffy, Head of Private Placements, NatWest Markets, said: “The NatWest Markets team is delighted to have assisted Red Kite to help secure their debut capital markets transaction. This innovative transaction transforms Red Kite’s financing structure, demonstrates the continued investor appetite for high quality credits and highlights the importance of a well-structured and considered approach to the Private Placement market.”

- ends -

**Notes to Editors:**

For further information please contact:

**Pension Insurance Corporation**     Jeremy Apfel                             +44 (0)20 7105 2140  
[apfel@pensioncorporation.com](mailto:apfel@pensioncorporation.com)

**Teneo Strategy**                             Anthony Silverman                             +44 (0)20 7260 2700  
[Anthony.Silverman@teneostrategy.com](mailto:Anthony.Silverman@teneostrategy.com)

**About Pension Insurance Corporation**

Pension Insurance Corporation plc (“PIC”) is a leading provider of buy-ins and buyouts to the trustees and sponsors of UK defined benefit pension schemes. At year end 2016, PIC had insured 134,900 pension fund members, had a strong solvency ratio of 164% and had £22.6 billion in financial investments. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit [www.pensioncorporation.com](http://www.pensioncorporation.com)

**About Red Kite**

Red Kite was formed by a stock transfer of 6,700 homes from Wycombe District Council in December 2011 and has since completed on time and ahead of budget the promised repairs to these homes. As a tenant-led, charitable organisation, Red Kite's focus in 2017 - 2022 has shifted to developing additional affordable homes across the Wycombe District and increasing community benefit from new business activity. Red Kite has been awarded G1/V1 by the Homes and Communities Agency.