



PENSION INSURANCE
CORPORATION

PIC INVESTS £60 MILLION IN 50-YEAR DEBT ISSUED BY THE MERCERS' COMPANY

London, 13 March 2018 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension funds, has agreed a £60 million, 50-year debt investment with The Mercers’ Company (“the Company”). The bond will fund refurbishments and additions to existing property, as well as support the Company’s philanthropic activities. This financing deal builds on an existing relationship, following PIC’s £35 million pension insurance buyout of the Mercers’ Staff Pension Scheme, in 2012.

Key points of the transaction:

- 50-year term (2068 maturity)
- PIC is the sole investor
- Repayment sculpted to provide the Company with a bespoke amortisation profile and PIC with very long-dated cash flows, beyond that typically available in the listed debt market
- Deferred drawdown, reducing the cost of carry for the borrower
- Barclays acted as sole agent on the transaction

The Mercers' Company was established by Royal Charter in 1394. The Company, and its associated charitable trusts, make substantial grants annually to support its philanthropic programmes in the areas of Young People & Education, Older People & Housing and Church & Communities. A network of almshouses and other homes for the elderly are also managed by the charitable trusts associated with the Company. The Company supports 16 schools across the country in both the private and state sector, primarily through the appointment of governors.

Rob Abernethy, Clerk and Chief Executive Officer at The Mercers' Company, said: "The Mercers' Company has been delighted with the support provided through a very competitive 50-year term private placement bond for £60 million resulting in this investment by PIC. This will enable the Company to continue with its programme of developing its existing investment property portfolio, to increase long term returns and support its philanthropic activity across Young People & Education, Older People & Housing, and Church & Communities."

James Christie, Finance Director at The Mercers' Company, said: "The Mercers' Company is proud to be the first Livery Company to establish this long-term relationship with PIC, particularly given PIC's stated values of loyalty, adaptability and resilience. The bespoke amortisation profile of the placement reflects the need to plan generations ahead to ensure we can continue to meet our strategic objectives around Philanthropy, Stewardship and Fellowship in perpetuity."

Marno Jooste, Debt Origination Manager at Pension Insurance Corporation, said: "It is great to be able to invest in an institution that has a track record of supporting charitable causes dating back to the 14th century. This investment strengthens our relationship with The Mercers' Company, helping the company to fund its corporate purpose more securely. It also has a certain symmetry, helping to secure both long-term payments to our pensioners and provide education for much younger generations."

- ends -

Notes to Editors:

For further information please contact:

Pension Insurance Corporation Jeremy Apfel +44 (0)20 7105 2140
apfel@pensioncorporation.com

Teneo Blue Rubicon Anthony Silverman +44 (0)20 3757 9231
Anthony.Silverman@teneobluerubicon.com

The Mercers' Company Chris Whyte +44 (0)20 7776 7214
chrisw@mercercs.co.uk

Team Spirit

Jo Preston

+44(0)20 7864 4119

jpreston@teamspiritpr.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 2017, PIC had insured 151,600 pension fund members and had £25.7 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension schemes. 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

About The Mercers’ Company

Livery Companies originated in the medieval trade guilds, when men and women, working in the same crafts or trades began to join together in informal associations or fraternities. Originally functioning as social, religious and benevolent organisations, in time they came to regulate their trades within the walls of the City of London.

The Mercers’ Company originally traded in luxury fabrics such as silks, linens, velvets, and other fine textiles and dress accessories which were imported from abroad. Today, the Company concentrates on its philanthropic works. The Company, and its associated charitable trusts, make substantial grants to support its programmes in the areas of Young People & Education, Older People & Housing and Church & Communities. It is closely involved with the running of 16 schools across the country, and a network of almshouses and other homes for the elderly are also managed by the charitable trusts associated with the Company. The Company funds its activities from income derived from its investments, mainly property in London’s West End and the City. For further information please visit

www.mercers.co.uk