



PIC INSURES SIXTH TRANCHE OF THE IMI 2014 DEFERRED FUND, COVERING c.£1 BILLION OF LIABILITIES IN TOTAL

London, 3 February, 2023 – Pension Insurance Corporation plc (‘PIC’), a specialist insurer of defined benefit pension funds, has signed a final partial buy-in with the Trustee of the IMI 2014 Deferred Fund (‘the Fund’), covering c.£175 million of liabilities for 1,378 Fund members, c.97% of which are deferred members.

PIC has now insured c.£1 billion of liabilities sponsored by IMI plc since 2016, through six partial buy-in transactions. The liabilities of the Fund are now fully insured.

PwC acted as lead transaction advisors advising the joint working group of IMI plc and the Fund, while the Fund was further advised by Willis Towers Watson as the actuarial advisors, Aon as investment advisors, and Squire Patton Boggs as legal advisors. PIC’s legal advisor was Herbert Smith Freehills.

IMI plc is a British-based engineering company headquartered in Birmingham, England. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index.

Greg Croydon, Chair of the Trustee to the Fund, said: “This transaction is the culmination of our long-term de-risking journey to insure the Fund’s pension obligations. We have now insured the benefits for all our members. We’re delighted that we have been able to complete this final transaction with PIC, with whom we have a long standing and successful relationship and who were able to be flexible to meet the specific circumstances of this deal in 2022.

“We had confidence in PIC’s ability to continue providing high quality customer service to us and our members. We would like to thank PwC for their advice and a solutions-based approach to enable execution of the final buy-in during volatile and fast changing market conditions.”

Tristan Walker-Buckton, Head of Pricing at PIC, said: “IMI is one of our clients of longest standing and we have worked very closely with the Trustees and advisors for many years. We are naturally very proud to have been able to complete this final transaction with them. A key aspect of this transaction is the very high proportion of deferred members and insuring them required close collaboration with the Trustee.

“We were able to offer a solution for the Fund’s illiquid assets by providing flexibility in the payment structure, enabling the Trustees to transact when they wanted to rather than waiting to sell down their remaining illiquid assets. IMI is an excellent example of how a first class de-risking exercise should be run and the Trustee should be congratulated on the execution of their plan.”

Swapnil Katkar, Head of Pension Risk Transactions at PwC UK, said “We are delighted to work with IMI and the Trustee in structuring and executing this de-risking transaction. We were able to collaborate with our client, advisors to the Fund, and PIC to implement a suitable price lock strategy and execute the buy-in, during a volatile and challenging market environment.

“The transaction means that member benefits are now secured under the insurance regime, enabling IMI to eliminate uncertainty around costs and cash as the corporate sponsor of these pension obligations.”

- ends -

Notes to Editors:

For further information please contact:

PIC Clive Booth +44 (0)7780 599247
boothc@pensioncorporation.com

Apella Advisors Will Melling +44 (0)7721 513777
PIC@apellaadvisors.com

About Pension Insurance Corporation

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure retirement incomes through comprehensive risk management and excellence in asset and liability management, as well as exceptional customer service. At 30 June 2022, PIC had insured 293,400 pension scheme members and had £44.1 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. To date, PIC has made total pension payments of over £9 billion to its policyholders. 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