

## Truell's pension spree ahead of schedule

### Mike Foster

Entrepreneur Edmund Truell is close to buying the sponsorship of UK pension schemes worth £5bn (£7.1bn), putting him six months ahead of his target to control £10bn by 2009. He aims to grow the network to £25bn by 2011.

His Pension Corporation last week agreed a £400m bid for Telent, sponsor to the £3bn Marconi pension scheme. Recent deals at Thorn, a TV rentals specialist, and Threshers, an off-licence chain, would take the haul to £4.4bn.

Pension Corporation, formerly known as Pension Insurance Corporation, has snapped up 29.5% of Telent and hopes to snare the £750m pension scheme sponsored by Aga Foodservice, a cooker manufacturer, after lifting its stake to 16% last week. Truell is also understood to be interested in the £750m scheme sponsored by Rank, a leisure group.

Truell started Pension Corporation a year ago, with backers including Swiss Re, JC Flowers and Royal Bank of Scotland. It has won control of schemes by bidding for their sponsors. As soon as it takes control, the group puts sufficient cash into an escrow account on which they can

draw to restore full solvency and widen their investment remit. About 80% of the funds are invested in bonds and the balance in a mixture of derivatives and alternative investments.

When the schemes are more than 105% funded, the regulators allow Pension Corporation to pull money out of its escrow accounts, which invest funds more aggressively than the schemes.

As a result Pension Corporation can collect a shorter-term return from its escrow account. Retrieving a surplus depends on the longevity of members and the attitude of trustees. Pension Corporation seeks to measure longevity as precisely as possible, taking out insurance to minimise risk.

Truell said that to make a decent return Pension Corporation had to sponsor a large number of schemes. He said the company contacted the Marconi trustees before it decided to bid for Telent: "We gave them a bit of advice and I'm pleased to say they implemented a fair amount of it."

Despite his 29.5% stake, he said: "I don't want to be arrogant about our chances of winning control." He likes the look of Telent's telecom equipment business and aims to keep it.