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[Copy to: [Adviser]]

20 August 2018

Dear Sirs,

Transfer of the individual and bundled group personal pension business of Mobius Life Limited to Scottish Friendly Assurance Society Limited

We are writing to you to provide you with details of the proposed transfer of the individual and bundled group personal pension business ("Transferred Business") of Mobius Life Limited ("Mobius") to Scottish Friendly Assurance Society Limited ("SF"). Mobius is a UK registered insurance company and SF is a friendly society registered and incorporated under the Friendly Societies Act 1992. Both Mobius and SF are authorised and regulated by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA").

Policy number <<Scheme Ref>> in the name of Trustees of <<Scheme Name>> Pension Scheme (the "Policy") is part of the Transferred Business. Therefore, we recommend that you read this letter and the documents referred to in it, so that you understand how your members will be affected by the proposed changes. We are also sending a similar notice to each of your members that we insure.

What will happen?

The proposed transfer will take place by means of an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (the "Transfer") and will therefore require court approval. We have applied to the High Court of Justice (the "Court") for that approval.

We currently expect the hearing at which the Court will decide whether or not to approve the Transfer to take place at the Companies Court, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL on 7 November 2018.

If approval is granted, the Transfer is expected to take place on 9 November 2018 (the "Transfer Date").

We have set out in **Appendix 1** to this letter a list of Questions and Answers which explains in more detail what will happen.

The Scheme

The Scheme, which is a technical legal document, sets out the mechanics of the Transfer. A copy of the full Scheme document is available on the Mobius website at www.mobiuslife.co.uk or alternatively it can be obtained by writing to Mobius Part VII Transfer Team, PO Box 1412, Churchgate, New Road, Peterborough, PE1 9WE.

The Transfer Process

As mentioned above, we are applying to the Court for approval of the Scheme. The Court will not approve the Scheme unless it is satisfied that it is appropriate to do so. In considering whether or not to grant its approval, the Court will enquire into whether the Scheme is fair to all affected policyholders.

To assist the Court, an Independent Expert, whose appointment has been approved by the PRA, has prepared a report on the terms of the Scheme. The Independent Expert has concluded that the Scheme will not have a material adverse effect on the security of benefits or the reasonable benefit expectations of the policyholders of both companies; or on the service standards and governance applicable to their policies. Summaries of the terms of the Scheme and the Independent Expert's report are set out in **Appendix 2** to this document. A copy of the full Independent Expert's report, is available free of charge on the Mobius website at www.mobiuslife.co.uk, or alternatively it can be obtained by writing to Mobius Part VII Transfer Team, PO Box 1412, Churchgate, New Road, Peterborough, PE1 9WE.

General

We currently expect the hearing at which the Court will decide whether or not to approve the Scheme to take place at the Companies Court, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL on 7 November 2018. We will write to you shortly afterwards to confirm the outcome of the Court hearing, confirm any new contact arrangements and provide details of how to submit dealing instructions after the Transfer Date. Until you receive that letter, please continue to use your existing contacts and follow the existing procedures.

We expect the Transfer Date, if the Scheme is approved by the Court, to be 9 November 2018.

Subject to receiving Court approval of the Scheme, from 9 November 2018, payments from you or your members in respect of the Policy, including payments by direct debit and standing order, will be made to SF's bank account, details of which will be provided to you in due course. Details of your bank account will be transferred to SF as part of the implementation of the Scheme.

Further Action

We encourage you to carefully consider the material in this letter and its attachments.

If you have any questions or concerns, your usual contact will be pleased to help or you can write to us at Mobius Part VII Transfer Team, PO Box 1412, Churchgate, New Road, Peterborough, PE1 9WE. Alternatively, policyholders may telephone 0800 028 0339 from within the UK, or +44 (0) 1733 355 828 from outside the UK, for further information.

If you are concerned that the Scheme could adversely affect you or otherwise wish to object to the Scheme, you have the right to raise your concerns with the Court. Details on how to do so are set out in the Questions and Answers in **Appendix 1**.

If you are in doubt about the Scheme or how it will affect you, it is recommended that you seek independent legal or financial advice as soon as possible.

If you would like to receive a copy of this letter or any documents referred to in this letter in large print, Braille or audio format version please let us know and we will send it to you.

Yours sincerely,



Adrian Swales

CEO

Mobius Life Limited

Appendix 1 - Questions & answers about the proposed Transfer of business from Mobius Life Limited to Scottish Friendly Assurance Society Limited

Q1: Why is the Transfer happening?

Mobius is an institutional investment life company and is focussed on providing institutional services to corporate pension schemes in the UK. The future strategy of Mobius is to develop its services for this market and not to focus on individual and bundled group personal pension business where it administers individual pension entitlements ("Retail Business").

SF has been identified as an appropriate business, with a retail focus and future strategy, best placed to provide a level of service required for the Retail Business policyholders. We believe the current services and future strategy of SF are more aligned to the Retail Business and should provide longer term benefits for Retail Business policyholders in the future.

Q2: What will happen and when?

If the Court approves the Scheme, then:

- On the Transfer Date, which is expected to be on Friday 9 November 2018, all of the policies and policyholder liabilities of the Retail Business will be transferred to SF.
- Policyholders of the Retail Business will become policyholders of SF; institutional policyholders will remain policyholders of Mobius.
- Policyholders will not pay the costs of the Scheme, which will be borne by Mobius and SF.
- The terms and conditions of the Policy will not change as a result of the Scheme.
- The value of the units issued in respect of the Policy will remain unchanged as a result of the Scheme.
- The administration of the Policy and the management of the linked funds into which your members have invested will become the responsibility of SF.
- It is proposed that Aegon UK plc, who currently provide member administration services to Mobius in respect of the Retail Business, will be retained by SF to provide a similar service.
- After the Transfer, SF will reinsure the Retail Business with Mobius. The reinsurance arrangement will ensure continuity of investment administration for operational efficiency and will reduce the time and costs of implementation of the proposed Transfer.

Q3: What are the benefits of the Transfer?

The current services and future strategy of SF are more aligned to the Retail Business and should provide longer term benefits for Retail Business policyholders in the future.

Q4: What is the role of an Independent Expert?

The Court will not approve the Transfer unless it is satisfied that it is appropriate to do so. In considering whether or not to grant its approval, the Court will enquire into whether the Transfer is fair to all affected policyholders.

To assist the Court, an Independent Expert, whose appointment has been approved by the PRA, has prepared a report on the terms of the Transfer. The Independent Expert has concluded that the Scheme will not have a material adverse effect on the security of benefits or the reasonable benefit expectations of the policyholders of both companies; or on the service standards and governance applicable to their policies.

A summary of the Independent Expert's report is set out in **Appendix 2** to this document. A copy of the full Independent Expert's report is available free of charge on the Mobius website at www.mobiuslife.co.uk or alternatively it can be obtained by writing to Mobius Part VII Transfer Team, PO Box 1412, Churchgate, New Road, Peterborough, PE1 9WE.

Q5: Will the Policy be affected?

The terms and conditions of the Policy will remain unchanged as a result of the Transfer. There will be no changes to the charges and fees that you currently pay. All operational aspects of managing your members' funds will remain unchanged as the result of the Transfer.

The Transfer will have no impact on the value of the units allocated to the Policy nor on the level of charges taken within the investment funds.

Q6: Is the Transfer fair to the policyholders?

We believe that it is and that the conclusion of the Independent Expert (see Q4 above) supports this view.

Q7: Will the Transfer affect the tax status of the Policy?

No. The tax status of the Policy will not change as a result of the implementation of the Transfer.

Q8: Who will bear the costs of the Transfer?

Mobius and SF will bear the costs of the Transfer. No costs will be passed on to you as policyholders.

Q9: Do I need to do anything?

We encourage you to carefully consider the material in this letter and its attachments.

You should think about making the details of this letter known to your members, in particular those who are aware of the existence of the Policy. For this purpose, if you wish to send members a copy of this letter, further copies will be made available on request.

Members can also obtain further information about the Transfer by accessing www.mobiuslife.co.uk or by writing to Mobius Part VII Transfer Team, PO Box 1412, Churchgate, New Road, Peterborough, PE1 9WE. Alternatively, policyholders may telephone 0800 028 0339 from within the UK, or +44 (0) 1733 355 828 from outside the UK, for further information.

Otherwise, unless you are unsure about the proposals, have questions, want clarification, think you may be adversely affected, or wish to object to the proposed Transfer or to seek advice on the Transfer, you need not take any further action.

If you have any questions or concerns, your usual contact will be pleased to help. If you are concerned that the Transfer could adversely affect your members or your members, or you, otherwise wish to object to the Transfer, you have the right to raise your concerns with the Court. Details on how to do so are set out in Q11 below.

Q10: Where can I find out more information?

Copies of the Scheme, the Independent Expert's report, and a summary of the Independent Expert's report are available free of charge on the Mobius website at www.mobiuslife.co.uk or alternatively they can be obtained by writing to Mobius Part VII Transfer Team, PO Box 1412, Churchgate, New Road, Peterborough, PE1 9WE. Alternatively, policyholders may telephone 0800 028 0339 from within the UK, or +44 (0) 1733 355 828 from outside the UK, to request a copy.

Q11: What should I do if I wish to object to the Transfer?

A key protection to policyholders is the ability to make your views known to the Court. After receiving this document you will have the opportunity to consider whether you wish to object to the proposed Transfer.

If you consider that you will be adversely affected by the carrying out of the Transfer, you can explain the problem to the Court up to, and at, the hearing of the application to approve the Transfer, by the methods set out below.

You can let Mobius know what you think by writing to Mobius or telephoning Mobius using the contact details set out in Q10 above. Mobius will keep records of all feedback that it receives on the Scheme and those records will be presented to the Court. As an alternative, you are entitled to attend (in person or by a representative) and be heard by the Court at the hearing of the application to approve the Transfer. This is currently scheduled to take place on 7 November 2018 at the Companies Court, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL. If you intend to appear or to be represented at the Court hearing, it would be helpful if you could notify Dentons, the solicitors acting for Mobius, of your intentions and of the reasons for any objection. You should contact them by writing to Dentons UK and Middle East LLP (Ref. MIW), One Fleet Place, London EC4M 7WS as soon as possible, and preferably before 1 October 2018.