

Important Announcement to members of the following pension schemes (“the Schemes”)

Ochil Birch Retirement Benefit Scheme
Binnian Cedar Retirement Benefit Scheme
Bodmin Stincher Retirement Benefit Scheme
Sidlaw Larch Retirement Benefit Scheme
Lawers Tay Retirement Benefit Scheme
Quantock Yew Retirement Benefit Scheme

In our third Announcement, issued in March 2015, we explained to members that in relation to the £7,700,000 investment made by the Schemes in Advalorem Value Asset Fund Limited (“Advalorem”), the FSC (Financial Services Commission) in Gibraltar appointed Adrian Hyde formerly of Chantrey Vellacott (a firm of Chartered Accountants) and now of CVR Global (a firm of insolvency practitioners) as administrator of Advalorem.

Of the money invested, £6,600,000 was used to buy land in Scotland which appeared to be worth significantly less than the amount paid for it and this is alleged by the administrator to have been done fraudulently.

We also explained to members that we would let them know if it appeared that we would be unable to get the money back from the investment without resorting to legal action.

Since this Announcement we have been discussing matters regularly with the administrator and our respective legal advisers. The result of the discussions was that it was unlikely that any money would come back to the Schemes and the members without some form of Court action. It was agreed that the administrator of Advalorem was best placed to pursue the action. As the Schemes were the only investors in Advalorem, any net sums recovered ought to be for the benefit of the Schemes and their members.

The first part of the Court action has taken place in the Gibraltar High Court (“the Court”) in front of Justice Jack.

As a result

- The Court has issued what is known as a freezing order (“the Order”) on 8 parties that the administrator considered to be involved in the matter.
- The Order was for an amount of £8 million. This is more than the amount invested and covers things like the costs in taking the matter to Court and interest on the amount invested.
- The Order requires the parties to tell the Court what assets they have (anywhere in the World) and orders them not to sell or give away these assets.

This is, however, just the start of the process. There will be further hearings as the parties are likely to deny what they are alleged to have done and challenge what the administrator is doing.

The Court will take its time to hear everyone before deciding whether to accept the claim and order one or more of the parties to make a payment.

The process will therefore take time, and it could be a year or longer before it has been completed. Even then, the nature of Court proceedings is such that there are often unexpected developments that could cause delay.

We will keep you updated on developments with this, and with the other investment in Swan Holdings PCC Limited, as and when we have something to tell you. In the meantime we are unable to calculate the value of members' benefits, including transfer values, until such time that we know what might be recovered from the action against the parties by the administrator and what will be returned to the Schemes, bearing in mind that the costs incurred by this action (to the extent that they cannot be recovered as part of a settlement) will be borne by the Schemes.

We have updated the Frequently Asked Questions (FAQs) on the website www.dalriadatrustees.co.uk/Milton and added this Announcement to this page.

Should you, however, have any specific personal queries in relation to this Announcement, your membership of the Schemes or should you wish to provide us with further information, please contact us.

You can contact us as follows:

By Telephone: 028 9085 0934

By Post: Dalriada Trustees Limited
22 Great Victoria Street
Belfast
BT2 7BA

Via e-mail: msadmin@dalriadatrustees.co.uk

Issued by Dalriada Trustees Limited

October 2015