

Dalriada. A better way

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

This is the eleventh Announcement to members on the Schemes.

The purpose of this Announcement is to provide a further update to members, to include the current position with regards to the remaining investments and the steps currently being taken in pursuing any final recoveries.

Member Website

Dalriada has set up a dedicated member website for the Schemes, where copies of all Announcements and any relevant governance documents may be found. The link to the relevant website is:

<https://www.dalriadatrustees.co.uk/scheme/milton/?type=documents>

What has happened since the last Announcement?

As members will recall, the Schemes invested £7,700,000 in a company called Advalorem Value Asset Fund Limited (“Advalorem”). The majority of that money was then used to purchase land at a grossly inflated price which was subsequently sold for only £89,000. Advalorem entered into liquidation and a company called CVR Global (“CVR”) was appointed as liquidator. As a result of legal action taken by CVR against the parties who they believed were complicit in the purchase of the land at over its value, a settlement of £1,860,000 was recovered into the Schemes.

Dalriada by way of its legal advisors has continued to liaise with CVR regarding any further recoveries that might be made through the liquidation of Advalorem.

As a result of further legal action taken by CVR (now called BTG Global Advisory) we have been informed that a dividend payment is expected to be made to the Schemes. Whilst it is not yet clear exactly how much that amount will be, the expectation is that it will be minimal in comparison to the total amounts invested. Dalriada’s legal advisors will continue to liaise with BTG Global Advisory to realise that dividend.

Members will recall that the Schemes also invested £1.1m into Swan Holding PCC Limited (“Swan”), a company based in the Isle of Man. Dalriada is continuing to explore avenues to recover these funds, but it remains unclear what realisable value, if any, the purported investment in Swan holds.

The actions being taken to recover funds from the above investments are important in satisfying the necessary pre-conditions for the Schemes applying for compensation from the Fraud Compensation Fund (“FCF”). One such pre-condition is that no further recoveries can be made or that the costs of pursuing recoveries would outweigh the potential return).

We continue to attend to the legal and governance obligations in relation to the Schemes wherever possible. This includes holding trustee meetings, undertaking risk reviews, preparing annual Report and Financial Statements for each of the Schemes, including Chair Statements. A Statement of Investment Principles (“SIP”) has been prepared for each of the Schemes and is available on the Schemes’ website. Further information on these various statements will follow in a subsequent section of this Announcement.

Where any governance breaches have been identified, we continue to report these breaches to The Pensions Regulator. Such breaches can be expected in schemes of this nature (e.g. the inability to pay member benefits).

The Fraud Compensation Fund

As was communicated in our Announcement of November 2020, Dalriada participated in a legal case which sought clarification on certain legislative issues in relation to the FCF. Whilst the FCF is open to claims by occupational pension schemes that have suffered a loss as a result of an act (or acts) of dishonesty, the purpose of the legal case was to provide certainty around the wording of the legislation that brought in the FCF, and around the rules governing eligibility for compensation. The PPF needed to be certain, before paying out any compensation, that there was proper legal entitlement to that compensation.

In short, it was determined that a claim could be submitted to the FCF for compensation in relation to occupational pension schemes such as the Schemes. The judgment also made it clear that trustee and advisor fees related to the act of dishonesty can be included in FCF claims. This means that, in the event of a successful claim, the impact of trustee fees on members’ benefits should be somewhat mitigated.

Please note that the judgment does not mean that the Schemes, or any other schemes of this nature, will automatically be successful in their claims. We understand that members have suffered a loss, but each claim submitted to the FCF will be determined on its facts. Further, we have been advised that, given the nature of the evidential process involved, it could take some time after the submission date for any claim to be adjudicated on.

As mentioned above, there are certain conditions to be met before a scheme will be considered eligible to make a claim. While the Schemes have not yet met all of the FCF’s pre-conditions for eligibility, we have been in discussions with the FCF team regarding a potential claim on behalf of the Schemes and have shared some initial evidence in support of a claim. No formal application has been

submitted to date and we cannot say at this stage when the formal application will be submitted.

In its claim, Dalriada will need to set out what specific losses the Schemes have suffered, and what specific offences involving fraud or dishonesty have caused (or are attributed) to those losses.

It is still our intention to make a formal application on behalf of all members collectively, which will comply with the appropriate regulations, including the requisite triggers and timescales for submitting a claim. Should discussions with the FCF cause us to change these plans we will make you aware. We are not asking members to take any actions at this stage.

What can I do to help?

If you have not already done so, to assist with our appointment and investigations, Dalriada would appreciate it if you could take the time to complete and return the enclosed Self Certification Form. This will ensure that your personal details are accurate.

Finally, we would be grateful if you could supply copies of all correspondence and documentation which you may have received in relation to your membership of the Schemes. Included in this, it would be helpful if you could provide copies of any email or lettered correspondence between you and those who advised or in any way facilitated your transfer into one of the Schemes.

Investment Strategy

As reported in the most recent Chair Statements, Dalriada has taken appropriate and professional investment advice to determine a suitable investment strategy for the Schemes' liquid assets. Due to the numerous issues still facing the Scheme, not least the illiquidity of the remaining investments, a low-risk investment strategy has been adopted. Dalriada has implemented a strategy which, whilst low risk, aims to achieve a return above that which would be received by holding funds solely in cash. Subject to any FCF application for compensation, it is Dalriada's ultimate intention to wind-up the Schemes as soon as it is able to do so, giving members the opportunity to transfer any remaining funds to a more suitable arrangement of their choice.

As per the section above, Dalriada has prepared and made available on the member website a SIP for each of the Schemes. The SIPs were prepared in September 2020 and will be reviewed by Dalriada every 3 years. It is a requirement of trustees to produce a SIP for schemes with over 100 members, making Binnian Cedar Retirement Benefit Scheme the only one of the Schemes needing to meet the requirements.

An Implementation Statement (also available on the website) sits alongside the SIP for the Binnian Cedar Retirement Benefit Scheme only, detailing how the SIP and investment strategy was implemented over the last financial year.

These documents provide additional background information as to the nature of the Schemes more generally and the investment strategy that Dalriada has implemented.

Fraudulent Letter

We have been made aware of a fraudulent letter sent to members of another pension scheme to which Dalriada was appointed independent trustee by The Pensions Regulator. The letter claims to be from David Copeland, as a Director of Dalriada, and asks members to call a telephone number provided in the letter to discuss claims. Please note this letter **DID NOT** come from Dalriada and the telephone number is not a Dalriada telephone number.

If you have received recent correspondence which appears to be from Dalriada, asking you to 'make a claim' in a limited timeframe, this letter is bogus. **PLEASE DO NOT CALL THE NUMBER.** If you do call the number, you will likely be asked to make a payment or asked to provide personal information. Again, please **DO NOT DO THIS.**

Dalriada has taken this matter very seriously and has filed a report with Action Fraud and the police (Police Service of Northern Ireland ("the PSNI")).

If you have received the letter and/or have called the number, please get in contact with Dalriada and report the matter to Action Fraud as soon as possible. You can contact Action Fraud on:

Tel. Number: 0300 123 2040
Crime Number: NFRC210504481800 (please include this if you make contact).

The PSNI has advised that the matter should also be reported to your local police and the same crime number should be used when reporting to them.

Dalriada's legitimate contact details can be verified on our website. In light of this recent fraudulent letter, for your security, we would prefer members to contact us by e-mail in the first instance and, if necessary, we will call you back. If you do contact us by telephone, you should use the number shown in the '*What Should I Do If I Have Further Questions?*' section below or, otherwise, a number that you can find and verify on the Dalriada website or on the Schemes' website page.

To be absolutely clear, Dalriada will **NOT** ask you to make any payment and/or to disclose sensitive personal information. If you receive a call from (or make a call to) someone saying they are from Dalriada and who asks you for money or to disclose personal information, this is a scam and you should hang up and report the call to us and Action Fraud, as set out above.

Whilst we would ask that contact is initially made by email where possible, should you 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 note that you can still contact us as set out in the '*What Should I Do If I Have Further Questions?*' section below.

Data Privacy Notice

Dalriada has prepared a statement which sets out how, in its capacity as Trustee, it handles personal information in compliance with Data Protection Legislation. Whilst Dalriada made a copy available in a previous Announcement, a copy of the Data Privacy Notice can now also be found on the website set up for members, or via the link below:

https://www.dalriadatrustees.co.uk/wp-content/uploads/2018/10/Data-Privacy-Notice_-2.pdf

What should I do if I have further questions?

Should you have any queries in relation to this Announcement or with regards to your membership of the Schemes, please contact us.

You can contact us as follows:

By Telephone: 028 9085 0934
By Post: Dalriada Trustees Limited
Linen Loft
27-37 Adelaide Street, Belfast
BT2 8FE
Via e-mail: msadmin@dalriadatrustees.co.uk

Other useful contact details

If you have a complaint or dispute concerning your workplace or personal pension arrangements you should contact:

The Pensions Ombudsman
Telephone: 0800 917 4487
Website: www.pensions-ombudsman.org.uk

If you have general requests for information or guidance concerning your pension arrangements contact the Money and Pension Service (MaPS).

Previously pensions guidance has been provided across the three consumer facing brands of MaPS: Pension Wise (PW), The Pensions Advisory Service (TPAS) and the Money Advice Service (MAS).

MaPS has now launched **MoneyHelper** where all retirement and pensions guidance has been brought together under one brand and one website, namely: moneyhelper.org.uk.

Consumers can request an appointment by following the links, emailing virtual.appointments@maps.org.uk or by calling the pensions helpline on 0800 011 3797. These appointments are free and impartial.

The email address to the pensions guidance team for general pensions queries is pensions.enquiries@moneyhelper.org.uk

Issued by Dalriada Trustees Limited

April 2022

Self Certification Form

Name:	
Date of Birth:	
Gender:	
National Insurance Number:	
Address	
Postcode	
Home Telephone Number:	
Mobile Telephone Number:	
Email Address:	
	TRANSFER SECTION
Transfer Value 1:	
Date of Transfer 1:	
Transferring Scheme 1:	

Transfer Value 2:	
Date of Transfer 2:	
Transferring Scheme 2:	
Transfer Value 3:	
Date of Transfer 3:	
Transferring Scheme 3:	

I confirm that I am the person described in the data checking document enclosed with this letter. I have reviewed the information provided and confirm that the personal details shown on my Personal Details Statement are correct to the best of my knowledge.

Signed:

Date:

Name:

(BLOCK CAPITALS)