
**The Feldspar Associates
Retirement Benefit Scheme**
**The Hammerley Consultants
Limited Retirement Benefit
Scheme**
**The Maribel Management
Retirement Benefit Scheme**
**The WGF Ventures Retirement
Benefit Scheme**

(“the Schemes”)



Dalriada. A better way

The purpose of this Announcement is to serve as a reminder of the actions being taken by Dalriada to recover members' funds, and to provide an update to members on the situation regarding the Fraud Compensation Fund. If members have any specific queries in relation to this Announcement or their membership of the Schemes in general, please contact us. Our details are on the final page of this Announcement.

Investments

Under the stewardship of the former trustees, the Schemes (with the exception of the WGF Ventures Retirement Benefit Scheme (“WGF”)) transferred £930,000 to Medical Investments (Barbados) Inc (“MIBI”) and £250,000 to RDSS Japan Ltd. MIBI is an overseas unregulated investment, in respect of which Dalriada still has limited information. RDSS Japan is a similarly unregulated but UK-based investment.

Dalriada does not consider either of these investments to have been appropriate for occupational pension schemes. Obtaining cooperation from some of the entities involved has been challenging and, despite extensive efforts by Dalriada, we have concluded that these investments will return no funds to the Schemes.

As indicated above WGF did not enter into the same investments as the other schemes. WGF made payments totaling approximately £1m to eight different investments, details of which are set out in the Announcement issued in April 2020.

As with the investments already described, obtaining cooperation from the entities involved has been challenging. Dalriada has concluded that many of these investments will return no funds to the Scheme.

Efforts are still ongoing to make recoveries from Dolphin Capital GmbH (“Dolphin”). As set out in a previous Announcement, WGF made payments of approximately £166,000 to Dolphin, now known as the German Property Group (“GPG”). In February 2019 two of the loan notes matured and £212,341.78 was returned to the WGF scheme. However, the remaining loan note, which was due to mature on 25 January 2022, failed to materialise due to GPG's bankruptcy and liquidation. The liquidation of GPG is ongoing in Germany and

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Dalriada remains in contact with the liquidator. However, it is entirely unclear at this stage if we will receive any further returns from this investment and it is likely the liquidation process will last a number of years.

Should there be any recoveries, or should the position otherwise materially change in respect of any of the investments made by the Schemes, Dalriada will update members accordingly.

Fraud Compensation Fund ("FCF")

Ultimately the best chance of any significant recovery for members of the Schemes is via a claim for compensation to the FCF. The FCF is a fund, managed by the Board of the Pension Protection Fund ("PPF"), that provides compensation where schemes have suffered a loss as a result of an offence involving dishonesty. Further detail on Dalriada's interactions with the FCF, as well as the legal case which sought clarification on certain legislative issues to do with the FCF, is set out in the Announcement issued to members in November 2022.

Dalriada has been working closely with the FCF with regards to submitting a potential claim on behalf of members of the Schemes. We have already provided initial evidence to the FCF that would allow them to gain an understanding of how the Schemes were set up and run. Dalriada has also provided the FCF with details of the responses to the online questionnaire issued to members in November 2022.

We are very pleased to confirm that the PPF Board have agreed that there are reasonable grounds for believing there was dishonesty within the Scheme, and that there are Scheme asset reductions attributable to that dishonesty.

This is clearly very positive news and Dalriada is delighted to be able to communicate this positive outcome to members of the Schemes.

The total value of compensation to be paid to the Schemes is still to be calculated and agreed with the FCF. We will be appointing accountants for this purpose and will continue to work closely with the FCF towards an agreed level of compensation, as well as to confirm the date of payment to the Schemes.

In order to proceed with a formal claim, the Schemes need to satisfy a number of requirements. For example, the FCF is a compensation fund of "last resort", which means that the FCF will need to be satisfied that no further recoveries can be made from elsewhere, or else, that the costs and/or time likely to be incurred pursuing any recovery could outweigh any potential return. Dalriada will therefore also be working with the FCF on the extent to which recovery actions (for example with respect to Dolphin) should continue to be pursued.

Unfortunately, we cannot at this point confirm to members any timescales, but we aim to complete the outstanding steps as soon as it is practicable.

Further information on the FCF

We have added a Frequently Asked Questions document on the Schemes' website which provides further information on the FCF. You can find a copy by accessing the link below or by visiting the FCF's website at www.fraudcompensationfund.co.uk. Please contact Dalriada direct with any queries and not the FCF.

FAQ Document: https://www.dalriadatrustees.co.uk/wp-content/uploads/2019/12/FCF_FAQ_Members.pdf

Member website

Dalriada has a dedicated member website for the Scheme, which includes copies of all Announcements, alongside any relevant governance documents. A link to the Scheme website can be found below:

<https://www.dalriadatrustees.co.uk/scheme/ex-chalcedon-pension-schemes/>

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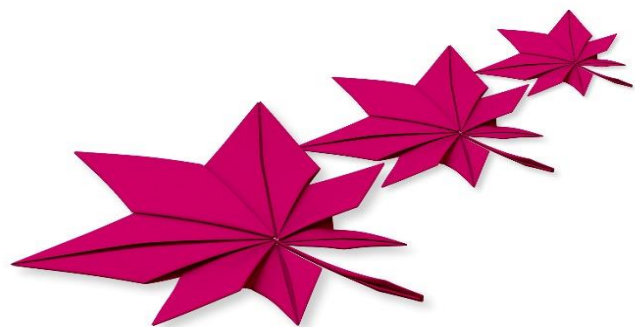
Scheme Costs

Members should be aware that the Schemes have inevitably incurred, and will continue to incur, significantly higher costs than would be the case for similarly sized conventional schemes. This is typical when dealing with schemes of this nature that have been mismanaged by previous trustees, and where The Pensions Regulator has seen fit to intervene and appoint a professional trustee to take appropriate, necessary actions.

Dalriada has and will continue to report on costs accrued in its annual Chair Statements. Copies of the relevant documents can be accessed via the Scheme's website:

<https://www.dalriadatrustees.co.uk/scheme/ex-chalcedon-pension-schemes/?type=documents>

As the majority of the costs incurred by both Dalriada and our legal advisers are attributable to dealing with the fraud and/or dishonesty offences involved, these costs will form part of the compensation claims on the FCF.



What should I do if I have any further questions?

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

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