

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 ninth Announcement to members and is an update to members to advise on developments since our last announcement in March 2019.

As you will recall Dalriada Trustees Limited (Dalriada) is an independent trustee appointed by the Pensions Regulator (TPR) to oversee the management and running of the schemes.

The main focus of Dalriada since its appointment has been to attempt to secure monies invested by the previous trustees in investments which Dalriada considered high risk and unsuitable for the Schemes. For that reason Dalriada has been working to gain control of the investments made prior to its appointment as independent trustee. Each of the investments and the current position is set out below:

Advalorem Value Asset Fund Limited (Advalorem)

As previously advised the investment in Advalorem represented the largest portion of the investments entered into by the previous trustees with £7.7 million of the Scheme monies invested in Advalorem, a Gibraltar based investment company. We had also advised that £6.6 million of that money had then been used by Advalorem for the purchase of land in Scotland. Unfortunately this land was purchased at a grossly inflated price and subsequently resold for £89,000 at auction. This represented a huge loss to the Scheme funds.

CVR Global (a firm of insolvency practitioners) (CVR) the liquidator of the Advalorem Fund have been pursuing civil legal action against a party who they believed were complicit in the purchase at overvalue. This action is complicated and involves dealing with other parties, such as indemnity insurers. As is often the case, the issues are dealt with through negotiation with the hope of an acceptable offer being made prior to taking the matter to Court which has no guarantee of success, if it is successful what financial award might be made nor as to the impact of costs and who the Court would order to bear them.

After discussion with CVR and our respective legal advisers Dalriada are pleased to confirm that a settlement of £1,860,000 has been recovered into the Schemes. While this does not represent the recovery of the entire initial investment it represents a significant return of Scheme monies.

We are liaising with CVR regarding any further possible recoveries that might be made through the liquidation although we do not anticipate substantial further sums coming back to the Schemes by this

route. We will update members if further recoveries are made.

We wish to notify members that we have also made an application to the Financial Service Compensation Scheme (FSCS) on behalf of the Schemes. This is as a result of enquiries made in relation to the role of Turnberry Wealth Management in providing investment advice to the original trustees of the Schemes. It is not clear yet whether the Schemes will qualify for a claim to the Financial Services Compensation Scheme but Dalriada is certainly exploring this possible avenue of compensation for the Scheme. If the Schemes are found to qualify for a FSCS claim, we will update you via another announcement.

Swan Holding PCC Limited (Swan Holding)

The second purported investment made by the previous trustees on behalf of the Schemes related to the £1.1m paid to Swan Holding, a company based in the Isle of Man.

The Schemes purportedly bought shares in a 'sub-fund' of Swan Holding (called 'Cell A'). Dalriada understands that the purpose of this fund is to invest in UK commercial and residential properties and land.

Dalriada has been advised by Swan that investments can be both direct (buying property and land) and indirect (making loans, investing in property companies or entering into joint ventures or partnerships). Dalriada has also been advised that the anticipated return is 6-9% a year. However, the shares are non-redeemable and the life of the fund is at least ten years. This means that this purported investment is 'highly illiquid', in other words it cannot be 'cashed in'. Dalriada is trying to find out when it will be able to get funds back into the Schemes, and, at that time, what the purported investment is likely to be worth, if anything. Dalriada continues to engage with Swan and their advisers in pursuit of this information and will continue to keep members up to date as and when we have further details confirmed.

Payments from the Schemes

As advised in previous announcements, when appointed Dalriada became concerned over the high risk and inappropriate investments which had been entered into by the previous trustees and remain concerned that the investments may have little or no value. Whilst we are pleased that a significant recovery has been made to the Schemes there is still a large amount of work required to try and ingather further payments. We are therefore not currently in a position to pay out benefits to members as Dalriada continues to pursue the other avenues available in order to try and return an even larger portion of the scheme monies.

Claims Management Companies

We are aware that a number of Claims Management Companies (CMC's) have made contact with members in order to assist with individual applications to the FSCS for compensation. We want to remind members that if they are receiving unsolicited calls or "cold calls" there are legislative provisions in force, which in some circumstances, can make these calls illegal and reportable to the Information Commissioners Office. We would ask members to bear this in mind should they receive calls from unknown CMC's. CMC's may themselves be regulated by the FCA however in some cases remain unregulated. Please also bear in mind that the whole point of the FSCS is that it should be easy for claimants to make claims for themselves. The procedure is free, and the guidance from the FSCS on its own website specifically encourages individuals to make their own claims without incurring costs or offering a cut of compensation to another party in return for assistance. If compensation is awarded

then, that compensation is for the benefit of the claimant. A CMC will always want to enter into a contract for their services with a fee structure based on success. This fee is often 20% or more of the amount of compensation paid. To put this into cash terms, if the FSCS made an award of £50,000 then, based on a 20% fee agreement, a CMC would be entitled to £10,000 of that compensation. This is regardless of how much work is done and often this would be just filling in a simple online form.

As we have set out above, we have made an application to the FSCS on behalf of the Schemes generally. Whilst we cannot advise members on the merits of pursuing their own claims we would ask that you bear the above in mind if you are contacted by or are considering contacting a CMC.

Dalriada has, as required by law, produced a Chairman's Statement for each of the Schemes. These have been published on the members website mentioned below.

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 contact us.

You can contact us as follows:

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