

BRIDON GROUP (2013) PENSION SCHEME

Aon

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Dear member

EQUITABLE LIFE ADDITIONAL VOLUNTARY CONTRIBUTION (AVC) ACCOUNT

We are writing to you because you are a member of the Scheme and you have an account with Equitable Life that is invested in the With-Profits Fund.

We wrote to you in August 2018 to inform you of changes proposed by Equitable Life, including the closure of its With-Profits Fund and transfer of its business to Utmost Life and Pensions (formerly known as Reliance Life).

Equitable Life proposed closing the With-Profits fund as part of a transfer of business to Utmost Life and Pensions, subject to a vote by the With-Profits policyholders and subsequent approval by the High Court. The Trustees are the policyholders of the Scheme's arrangement with Equitable Life, they therefore had the voting rights on this matter on your behalf.

The Trustees, having taken professional advice, voted in favour of the transfer for the following reasons:

- Our advisers have concluded that the approach taken by Equitable Life and the assumptions used in calculating the uplift amounts appear reasonable;
- Utmost Life and Pensions has a higher financial strength rating than Equitable Life;
- If the Equitable Life With-Profits Fund does not close, the level of the uplift available to members may increase over time, but there is also a risk that the costs of managing the remaining policies also increases, impacting service, member borne charges and/or policy payments as the business runs off.

The Policyholder vote took place on 1 November 2019 and was overwhelmingly in favour of the proposal.

Following a High Court hearing on 22 and 25 November 2019, final approval was received on 4 December 2019 and we can confirm the proposed changes were put into effect on 1 January 2020.

SUMMARY OF THE PROPOSED INCREASE TO YOUR POLICY VALUE

- Upon transfer to Utmost Life and Pensions, the current 35% uplift to the value of policies, which applies when members transfer out or draw their benefits, will be increased to an uplift of 68% for all members.
- Some members may be entitled to an additional uplift, depending on certain factors. The level of uplift, both the 68% and the additional uplift amounts for some members, will be confirmed on transfer to Utmost Life and Pensions.
- In exchange for the uplift you will no longer receive future guaranteed investment returns as you will be invested in unit-linked funds rather than the With-Profits Fund.

You have a choice as to how you would like your AVCs invested upon transfer to Utmost Life and Pensions and further information on this and your available options will be provided shortly.

The Trustees recommend that you review regularly your pension investments. It is important that you review the details of the funds that you are invested in to ensure they remain appropriate for your retirement plans. You may also wish to seek advice from an authorised independent financial adviser. You should note that neither the Trustees nor their advisers are authorised to provide you with independent financial advice.

If you do not have an independent financial adviser (IFA) and would like information about independent financial advisers please visit <https://www.fca.org.uk/consumers/finding-adviser>.

If you would like further information regarding your current benefits in the Scheme, you should contact:

The Bridon Group (2013) Pension Scheme
Aon
PO Box 196
Huddersfield
HD8 1EG

Tel 0345 2688476

Email
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Issued on behalf of the Trustee of the Bridon Group (2013) Pension Scheme

January 2020