



Press release

20 May 2015

UK SME Pension Scheme deficits reduce marginally in Q1 2015

Mobius Life Funding Level Index reports improvement in scheme funding following positive asset returns

UK SME Pension Schemes improved their funding level by 0.7% in first quarter of 2015, with typical funding levels ending the quarter at 65.4% according to the Mobius Life Funding Level Index.

Launched in 2006, the Mobius Life SME Pension Funding Level Index reports the health of the UK's small and medium sized pension schemes, which make up the majority of employer-sponsored defined benefit pension schemes in the UK. The last time the Index was fully funded (100%) was in July 2007.

Mithesh Varsani, Analyst at Mobius Life said: "It has been a mixed quarter for the UK's SME pension schemes. Asset returns have been good with the typical firm seeing an uplift of around 3.5% in asset values as a result of good equity market returns. At the same time liabilities have typically increased by 2.8% due to continuing falls in bond yields - largely driven by the European Central Bank's large scale quantitative programme."

Adrian Swales, Chief Executive Officer, Mobius Life, said: "It's good news that the UK's SME pension schemes have seen a slight improvement in their funding levels in the first quarter of 2015. But with the typical scheme funded to meet only around two thirds of its liabilities, it remains a difficult market for DB pension schemes.

"At Mobius Life we provide schemes and their advisers access to a broad range of single manager and blended funds held on our platform. We provide seamless administration, ongoing fund monitoring and fund rebalancing services to ensure schemes' agreed investment strategy is on track to meet its long term obligations to members."

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Notes to Editors:

Mobius Life (<http://mobiustlife.co.uk>) is a UK life insurance company and institutional investment platform, established in 1996, with over £6 billion assets under administration. We deliver made-to-measure investment administration and life company services to DB and DC pension funds, asset managers and other institutions. We empower our clients and their advisers to implement their investment strategies efficiently and cost effectively.



About the Mobius Life Funding Level Index. The Funding Level Index was launched in 2006 to report the health of the UK's SME employer-sponsored pension schemes. It models a typical UK SME scheme with assets split 70% Equity and 20% Fixed Interest Bonds and 10% Index Linked Bonds. Liabilities are: Fixed 30% and Index Linked 70%.