



Press release

7 August 2015

Improvement in UK SME Pension liabilities cancelled out by falling asset values in Q2 2015

Mobius Life Funding Level Index reports on the health of the UK's SME pension schemes

UK SME Pension Schemes funding levels improved marginally in second quarter of 2015, with typical funding levels ending the quarter at 65.6%, up from 65.4% at the end of Q1, according to the Mobius Life Funding Level Index. A marked improvement in typical fund liabilities values of 2.5% was cancelled out by poor asset returns which fell by 2.3% in the quarter.

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: "In Q2 the UK's SME pension schemes were hit by falling asset values, which cancelled out improvements in their overall liabilities. While we witnessed government bond yields surge higher in Q2 as investors prepared for rate rises and showed confidence in Europe, we saw a rise to contagion risks as focus switched towards the Greek debt situation putting a pause on rising yields at the end of the quarter."

Adrian Swales, Chief Executive Officer, Mobius Life, said: "We've seen a slow improvement in SME pension schemes funding levels in the first half of 2015. The typical scheme is now funded at 65.6% up nearly 1% from 64.7% at the start of the year. In order to stay on track, funds and their advisers need to make sure they can take advantage of movements in asset and liability values to keep their long term 'flightpath'. We provide schemes and their advisers with ongoing fund monitoring and fund rebalancing services to ensure schemes' agreed investment strategies are on track to meet their long term obligations to members.

-ends-

For further information, please contact:

Adrian Swales, Chief Executive Officer
Mobius Life

020 7847 3303
adrian.swales@mobiustlife.co.uk

Mike Lord
Lord Public Relations

07831 401 311
lord.mike@btinternet.com

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%.