

**Press release**  
**20 May 2016**

## **UK SME Pension Schemes hard hit in Q1 2016**

### **Mobius Life Funding Level Index reports 3% fall in SME pension funding levels**

UK SME pension schemes suffered a torrid start to 2016, with the typical scheme facing a 3% increase in its deficit in Q1. The fall in funding levels was driven by falling gilt yields rather than the extreme volatility seen in equity markets. The UK's typical SME pension scheme was funded to just 61.6% by the end of March 2016.

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: "2016 is setting out to be a challenging year for pension schemes to navigate. January saw markets spooked by the fragility of global growth, China and energy prices. These fears began to abate later in the quarter allowing risk assets to post positive returns for Q1, however government bond yields fell lower leaving funding levels worse off."

Adrian Swales, Chief Executive Officer, Mobius Life, said: "Volatile markets can sometime throw up opportunities for SME schemes to capitalise on tactical opportunities for the benefit of their members. Our investment platform allows schemes and their investment advisers to move extremely quickly when these opportunities arise. We provide schemes and their advisers with access to a broad range of single manager and blended funds held on our platform. This is backed by seamless administration, ongoing fund monitoring and fund rebalancing services."

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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 £7.2 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. Mobius Life empowers investors to implement investment strategies efficiently in a cost effective manner.

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**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%.

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