



BRUSH GROUP (2013) PENSION SCHEME

Aon

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Dear member

ACTION REQUIRED FOR YOUR EQUITABLE LIFE AVC ACCOUNT

We are writing to you because you are a member of the Brush Group (2013) Pension Scheme (the 'Scheme') and you have an account with Equitable Life that is invested in the With-Profits Fund. Please read this letter carefully as the proposed changes it explains will directly impact your With-Profits account with Equitable Life.

- **An investment instruction form is included with this letter, which you need to return by 9 December 2019 to instruct the Trustees where you would like to invest your With-Profits account after the proposed transfer to Utmost Life and Pensions.**
- If you do not complete and return the enclosed form by 9 December 2019, your transferred holdings will be invested in the 'Investing by Age' strategy in accordance with the Trustees' instructions, details of which are set out in this letter.

You need to understand what these proposed changes are and any action you will need to take before 9 December 2019. We have provided a summary of the letter below.

SUMMARY OF THE PROPOSED INCREASE TO YOUR POLICY VALUE

- 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.
- 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, scheduled for 1 January 2020.
- 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.
- The Trustees have voted in favour of the transfer to Utmost Life and Pensions on behalf of the members, having taken professional advice. The Policyholder vote took place on 1 November 2019 and was overwhelmingly in favour of the proposal.
- If the High Court subsequently approves the transfer (as anticipated), **you will need to make a choice** about which fund (or funds) your savings from the Equitable Life With-Profits Fund will be moved to on transfer to Utmost Life and Pensions.

Voting for the transfer scheme

We wrote to you earlier this year, 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. In the remainder of this letter, we will refer to these proposals as the 'transfer scheme'.

The transfer scheme was subject to acceptance by With-Profits policyholders and requires 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 deadline to vote was 30 October 2019 and having taken professional advice, the Trustees voted in favour of the transfer scheme 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.

As the required level of policyholders' votes in favour of the transfer scheme has been reached, there will now be a High Court hearing to consider the transfer scheme. The current expectation is that the High Court will approve the transfer, although this is not guaranteed.

If the transfer scheme is approved, Equitable Life will close the With-Profits Fund and transfer its business to Utmost Life and Pensions in January 2020.

Investment of your AVCs after the transfer to Utmost life and Pensions

You have a choice as to how you would like your AVCs invested upon transfer to Utmost Life and Pensions, which is summarised below:

- **'Investing by Age' strategy:** An investment strategy that gradually reduces risk over time, depending on your age and how close you are to retirement. It does this by automatically and gradually moving your investments from the Multi-Asset Moderate Fund to the Multi-Asset Cautious Fund and eventually to the Money Market Fund. **This is the strategy that your With-Profits funds will be invested in if you do not make a choice (see appendix for details).**
- **Multi-Asset Funds:** You can choose from three Multi-Asset Funds, each with different levels of risk. They give you access to a ready-made, broad portfolio of asset types designed for cautious, moderately-cautious, or growth-seeking investors.
- **Other funds:** You can select from a range of single asset class funds, such as shares, bonds, and cash.

You can spread your savings across more than one of the above investment choices and further information on these choices can be found in the Appendix.

Whatever investment choice you make, upon transfer to Utmost Life and Pensions, your With-Profits funds will initially be invested in the Secure Cash investment (that is guaranteed not to fall in value) before being gradually switched into your chosen investment option(s).

You can choose how quickly you would like to transition your With-Profits funds from the Secure Cash investment to your chosen investment option(s). The options are to transition your funds over a period of 1 month, 3 months or 6 months.

The level of charges that you will pay through the funds will depend on which fund or funds you choose (see the Appendix for details of these funds and charges). The Secure Cash investment, in which your funds will initially be invested, carries a charge of 0.5% per year (this is for a whole year, but in practice, if your phasing period is shorter than 12 months, this is only payable on the amounts invested in the Secure Cash investment over your chosen phasing period).

If you do not complete and return the enclosed investment instruction form, your With-Profits funds will initially be invested in the Secure Cash investment and then gradually switched in instalments over a period of 1 month into the Investing By Age Strategy (see appendix for details).

Investment risk

With the exception of the Secure Cash investment, irrespective of which other Equitable Life fund(s) you are invested in, the value of your With-Profits funds will no longer have a guaranteed investment return on transfer. The value of your funds will go up and down in line with the funds' underlying investments and will ultimately depend upon the investment returns of the fund(s) they are invested in and the charges that apply to those funds.

Whilst the amount you hold temporarily in the Secure Cash investment is guaranteed not to fall in value while it is held in that fund, it is unlikely to keep pace with inflation and will have no potential for capital growth.

Don't miss out on the proposed uplift

If you are planning to draw any benefits from your Equitable Life or transfer out before the transfer to Utmost Life and Pensions takes place in January 2020, you will not benefit from the uplift to your fund value.

Finding further information

Further information about the proposed transfer scheme is available on the Equitable Life website: <https://www.equitable.co.uk/>

An overview of the funds that will be available through Utmost Life and Pensions is set out in the Appendix.

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 www.unbiased.co.uk. The site is run by IFA Promotion Ltd, the industry body responsible for promoting independent financial advice in the UK. It will enable you to locate an independent financial adviser in your area. Every IFA on www.unbiased.co.uk website is authorised by the Financial Conduct Authority.

If you need further details about your investment options, you should contact either

Ian Emery
Tel 0121 2625057
Email ian.emery@aon.com

or

Amanda Ford
Tel 0121 2306837
Email amanda.b.ford@aon.com

If you have any queries regarding your benefits in the Scheme, you should contact:

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

Tel 0345 268 8475
Email
brushpensions@aonhewitt.com

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

November 2019

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Equitable Life AVCs – investment instruction form

Your details

Initials		Date of Birth	
Surname		Sex (M/F)	
National Insurance number			
Contact Telephone number			

1. Fund choice

Please complete the table below to tell us in which funds, and in what proportion, you wish your funds transferred from the Equitable Life With-Profits Fund to be invested.

Fund	Proportion (% of total AVC fund)
Investing by Age strategy	
Multi-Asset Cautious	
Multi-Asset Moderate	
Multi-Asset Growth	
Money Market	
Sterling Corporate Bond	
UK Government Bond	
Managed	
UK Equity	
UK FTSE All Share Tracker	
Asia Pacific Equity	
European Equity	
Global Equity	
US Equity	
Total	100% (Total must sum to 100%)

2. Timing of investment

Please complete the table below to tell us how quickly you wish your AVCs to transition into the above fund choices after the transfer (please tick just one box).

Please note that the same timeline will apply to all of your chosen funds. **If no period is entered then a 6 months phasing period will be used.**

1 month	<input type="checkbox"/>
3 months	<input type="checkbox"/>
6 months	<input type="checkbox"/>

Signed: Date.....

Please return your completed form in the pre-paid envelope by 9 December 2019.

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Appendix

Investing by Age Strategy

You can choose to invest in this strategy from the self-select fund range by completing the enclosed Investment Instruction form. **If you do not make a choice your funds will be invested in this strategy.**

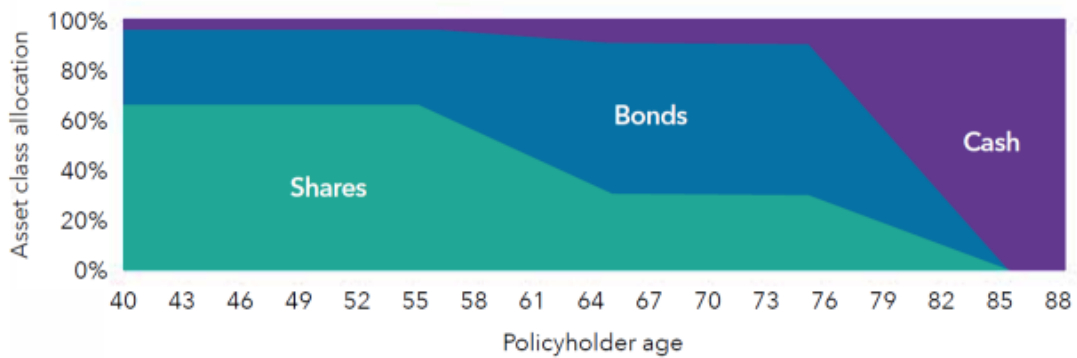
The Investing By Age Strategy automatically transitions from the Multi-Asset Moderate Fund to the Multi-Asset Cautious Fund and eventually to the Money Market Fund.

The table below shows how the Investing By Age Strategy gradually transitions through its underlying funds.

Age	Investing By Age strategy - underlying funds
Under 55	Multi-Asset Moderate Fund only
55 to 65	Gradual switch to Multi-Asset Cautious Fund
65 to 75	Multi-Asset Cautious Fund only
75 to 85	Gradual switch to the Money Market Fund
Over 85	Money Market Fund only

Source: *Utmost Life and Pensions*

The chart below shows the asset mix of the funds underlying the Investing By Age Strategy.



Source: *Utmost Life and Pensions*

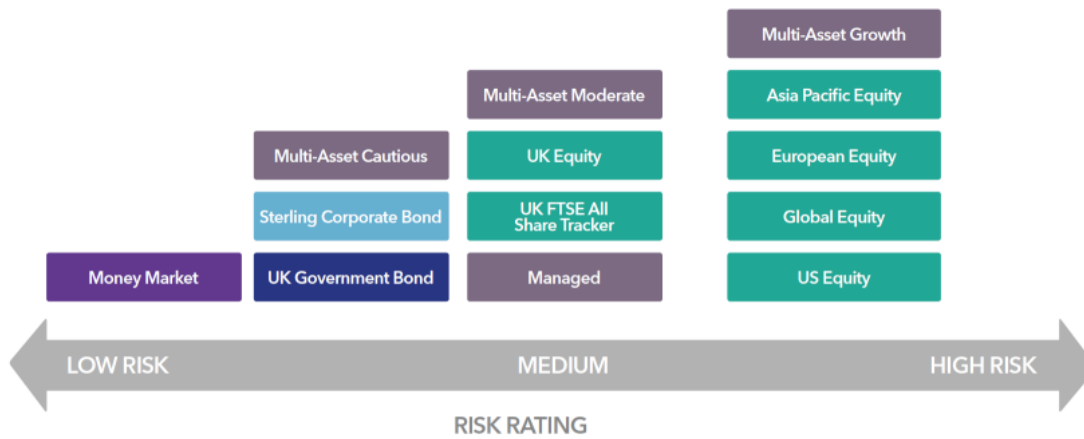
Self-Select Funds

Details of all of the self-select options can be found in the booklet via the following link:

<https://www.equitable.co.uk/media/63266/utmost-uk-individual-b1-part-2-investment-guide.pdf>

Investment risk ratings

Utmost Life and Pensions have categorised the self-select funds as having the investment risk ratings shown below:



Source: *Utmost Life and Pensions*

An overview of the investment options available through Utmost Life and Pensions

Investing by Age strategy (available as a member choice and also where funds are invested if no choice made)

Asset-class	Fund name	Objective	AMC* (%p.a.)
Various	Investing by Age Strategy	A strategy that gradually reduces risk over time, depending on the member's age and how close they are to taking their savings. Over time, investments automatically transition from the Multi-Asset Moderate Fund to the Multi-Asset Cautious Fund and eventually to the Money Market Fund. Further information on this fund can be found below.	0.50 – 0.75**

Self-select options (can be chosen instead of or as well as Investing by Age strategy)

Asset-class	Fund name	Objective	AMC* (%p.a.)
Multi-Asset Funds	Multi-Asset Cautious***	To protect capital growth in the long-term by investing in a combination of asset classes including equities, fixed income and cash with the potential for low to moderate levels of price fluctuations	0.75
	Multi-Asset Moderate***	To protect capital growth in the long-term by investing in a combination of asset classes including equities, fixed income and cash with the potential for moderate to high levels of price fluctuations	0.75
	Multi-Asset Growth	To protect capital growth in the long-term by investing in a combination of asset classes including equities, fixed income and cash with the potential for high levels of price fluctuations	0.75
Cash	Money Market***	To preserve capital whilst aiming to provide a return in line with prevailing short term money market rates	0.50
Fixed income	Sterling Corporate Bond	To achieve a return primarily in a portfolio of Sterling dominated corporate bonds	0.75
	UK Government Bond	To achieve a positive return by investing primarily in a portfolio of UK government bonds	0.50
Mixed asset	Managed	To maximise the overall return from investments covering the UK and overseas equities, gilt-edged and fixed interest stocks and property.	0.75
Equity	UK Equity	To achieve long-term capital growth by investing mainly in UK companies	0.75
	UK FTSE All Share Tracker	To achieve long-term capital growth and to produce a return that, before charges, matches the total return of the FTSE All Share Index	0.50
	Asia Pacific Equity	To achieve capital growth in the long-term by investing mainly in Asia Pacific companies (excluding Japanese)	0.75
	European Equity	To achieve capital growth in the long-term by investing mainly in European companies excluding the UK	0.75
	Global Equity	To achieve capital growth in the long term by investing mainly in a diversified global portfolio of companies	0.75
	US Equity	To achieve capital growth in the long-term by investing mainly in US companies	0.75

All above information sourced from Equitable Life and Utmost Life & Pensions

* Annual Management Charge which covers the expenses of managing the investments.

**AMC payable will depend on your age. It starts at 0.75% p.a. and remains unchanged until you reach age 75 when it gradually decreases to 0.50% p.a. at age 85 and remains unchanged thereafter.

***Denotes funds that are also used within the Investing by Age Strategy