

Mobius Life Limited

Security of Assets

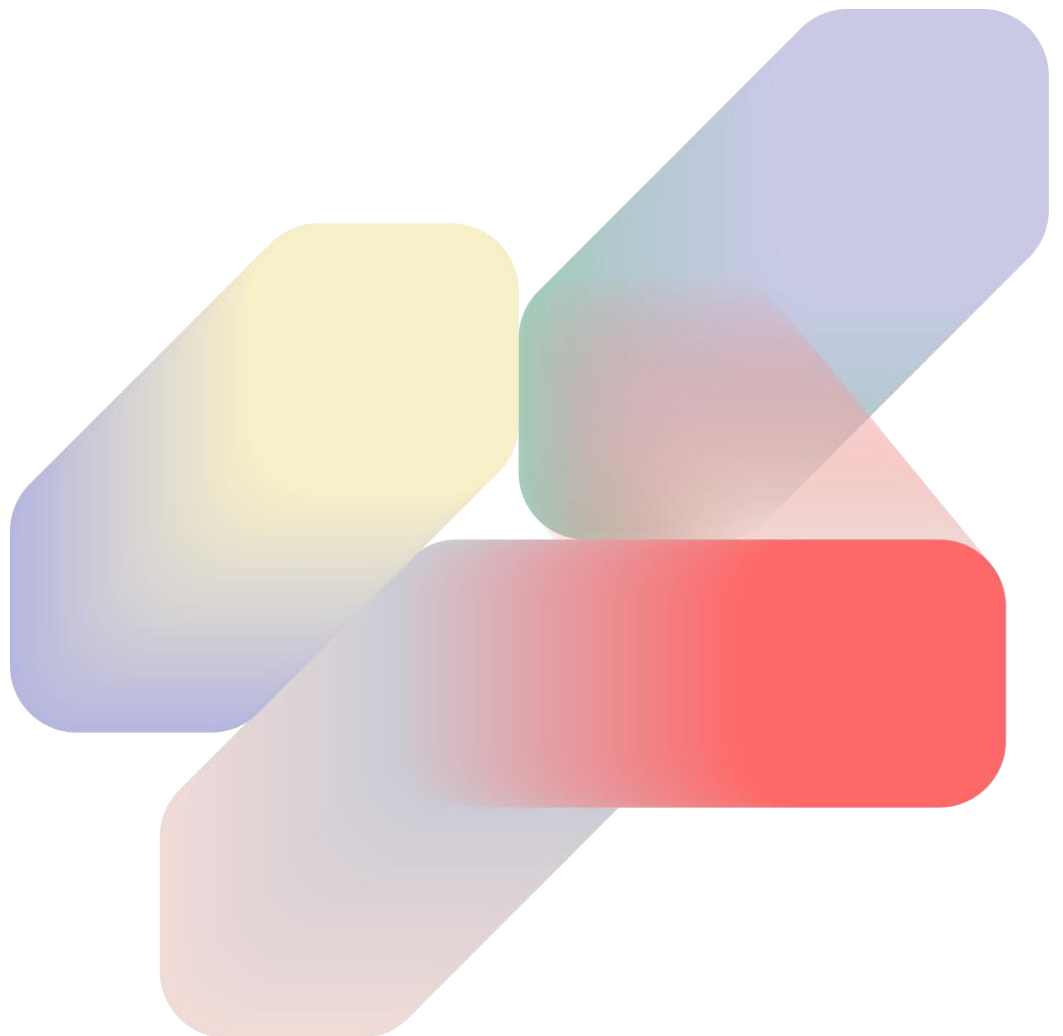


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1. Introduction

The purpose of this document is to provide information about how the assets supporting the Mobius Trustee Investment Plan (the “TIP”) are held and protected, and the main risks that remain. The information is based on our understanding of current law and regulation and may be subject to change.

2. Important information

The value of the TIP depends on the value of the underlying assets which can go up or down. While regulation, capital requirements and asset protection arrangements help reduce risk, they cannot completely remove the possibility of loss.

3. About Mobius

Mobius Life Limited is a unit-linked life insurance company. We are authorised by the Prudential Regulation Authority (PRA) and regulated by both the PRA and Financial Conduct Authority (FCA). Our firm reference number is 189098.

The TIP is a long-term insurance policy designed for UK registered pension schemes. The policy is held by the pension scheme trustees on behalf of scheme members. It is provided on a unit-linked basis i.e. the value of the policy is linked to the performance of underlying assets which are owned by Mobius. The trustees, usually with the help of their investment adviser, decide how the policy's linked assets are invested. These can include both direct investment in fixed income securities, equity securities, alternative assets, derivative instruments and other assets; and indirect investment, for example collective investment schemes and via other insurers' funds.

While the value of the TIP depends on the performance of the underlying assets we hold, the pension scheme trustees are also dependent on us being able to meet our liabilities when benefits become payable to members. The security of members' benefits is therefore dependent on Mobius's financial strength.

4. Our financial strength

4.1 Capital requirements

As a regulated insurer, Mobius must maintain a minimum level of accessible capital. We must also meet requirements covering capital management, governance, risk management, and regulatory reporting. These requirements are designed to reduce the risk that we're unable to meet our obligations to policyholders.

4.2 Solvency and Financial Condition Report (SFCR)

At the end of each financial year, we publish a SFCR. This report provides essential information about our financial strength, capital adequacy, governance framework and approach to risk and capital management. A copy of this report can be found on our website <https://mobiuslife.co.uk/reports/>

4.3 Own Risk and Solvency Assessment (ORSA)

We are also required to perform an annual ORSA. This provides a forward-looking assessment of the adequacy of our risk management processes and solvency position under both expected and adverse conditions, ensuring that we remain financially resilient and able to meet our obligations.

5. What happens if Mobius fails?

5.1 Financial Services Compensation Scheme (FSCS)

The FSCS is the UK's statutory compensation scheme of last resort for customers of authorised financial services firms, such as Mobius. This means that, in the very unlikely event we were unable to meet our contractual obligations, the FSCS could pay compensation to our policyholders. As the policyholder of the TIP, pension scheme trustees would need to make a claim to the FSCS on behalf of their pension scheme.

As a fund of last resort, the FSCS will only pay claims for compensation to eligible claimants when an authorised firm, such as Mobius, is unable or likely to be unable to meet its liabilities. At this point, the firm will generally be 'in



default'. The FSCS will only consider claims when an authorised firm is in default, if this condition is not met, the claimants would need to make a claim against the firm itself or its administrators.

The level of cover provided by the FSCS for policyholders investing in a long-term life insurance policy, such as the Mobius TIP, is currently 100% of the policy value, with no upper limit.

For more information on the FSCS visit: <http://www.fscs.org.uk>

5.2 What if another provider fails?

5.2.1 Investment funds

If Mobius invests in an underlying asset which itself is a fund, there is a risk that the manager of that fund could default. In these circumstances, neither we nor our clients could claim compensation from the FSCS for any loss.

Most of the underlying assets Mobius holds are regulated collective investment schemes, such as unit trusts and OEICs. The assets these regulated schemes invest in must, by law, be kept separate from the fund operator and manager, usually by an independent trustee or depository. This provides protection to investors because, if the fund operator or manager fails, the assets of the regulated scheme remain separate and cannot be used to repay the operator's or manager's debts.

5.2.2 Funds provided by other insurers

Mobius may invest through funds or policies provided by another insurance company. Where we do so, we put contractual protections in place to help protect policyholders, such as securing rights over the insurer's assets, if that insurer defaults. These insurers are also regulated to the same high standards as Mobius, including requirements for capital strength, governance, risk management and regulatory reporting.

5.2.3 Banks and deposits

Where Mobius holds money on deposit with a UK bank, we and our policyholders are exposed to the risk that the bank could fail. To help reduce that risk, we assess the financial strength of banks and monitor them using a range of information available to us, including data sourced from independent credit ratings agencies and other financial data. Banks are also subject to strict regulatory requirements.

6. Summary

A number of protections help support the security of assets held within a Mobius TIP, including:

- PRA and FCA regulation
- Minimum capital requirements
- Due diligence and risk management processes
- Potential FSCS protection if Mobius is unable to meet its obligations

