



Press Release

30 January 2014

Lighthouse Group plc.
(‘Lighthouse’ or ‘the Group’)

Lighthouse Group launches a Pensions Master Trust for automatic-enrolment

Lighthouse Group plc (AIM:LGT), the national financial adviser of choice for Middle Britain, today announces the launch of its multi-employer Pensions Master Trust on 3 March 2014 to be called the ‘Lighthouse Pensions Trust’ (“LPT - the Trust”) using BirthStar® target date funds, managed by AllianceBernstein, as the default funds. Bridge Trustees Limited, a professional trustee company owned by Eversheds LLP, will act as independent trustee.

The Pensions Regulator (“TPR”) published statistics in August 2013 highlighting that 60% of SMEs in the UK had not yet started to plan for automatic-enrolment (“auto-enrolment”) or (“AE”), and, furthermore, 41% were completely unaware of their impending legal obligations. Lighthouse is, therefore, offering these and all employers expert help with their planning and HR/payroll administration and the opportunity to provide their staff with a workplace pensions scheme that is “best of breed”, as auto-enrolment implementation gathers pace in the UK.

The Trust will be unique, insofar as a Lighthouse AE App, accessible across Apple devices initially, will be available to members and employers as well as to Lighthouse advisers. This is to promote engagement, transparency and accessibility. Also, employers will be able to personalise their section of the trust and the app, according to their specifications. The Lighthouse Pensions Trust will also benefit from the highest level of governance, reinforced by the link with Eversheds LLP.

Lighthouse will offer a pre-staging data cleansing service to the businesses that sign up to the Lighthouse Pensions Trust, as well as handling the employer-facing administration, scheme registration and ensuring full compliance. The Group will invoice employers for participation and member fees and offer a range of optional services, as well as facilitating access to an auto-enrolment hub for all employers; the full tariff will be published on 25 February.

Commenting on the launch of the Lighthouse Pensions Trust, Malcolm Streatfield, Chief Executive of Lighthouse Group plc. said: "As the national adviser of choice for Middle Britain, we aim for best practice in all of our business areas. The future-proof flexibility, independence, and governance of the master trust model will help to ensure that good member outcomes and value for money are at the core of our auto-enrolment proposition, whilst making it easy for employers to meet their legal obligations. The Board is delighted that Lighthouse is at the forefront of these significant regulatory changes for all UK SMEs, and we look forward to providing the highest standard of service and investment management to LPT's members."

Roger Sanders OBE, Managing Director of Lighthouse Group Employee Benefits [GEB] said: "We are excited to set up a best practice master trust for new and existing clients to provide them with a comprehensive and streamlined auto-enrolment solution, one specifically aimed at the employers of Middle Britain. TPR's August 2013 research found that only 59% of small employers were aware of the term "automatic enrolment" and only 40% had started to plan; the Lighthouse Pensions Trust, together with the help and support of our specialist AE team and all of our advisers around the country, should make Lighthouse the natural choice for many tens of thousands of these employers."

Commenting on the so-called 'capacity crunch', Sanders continued: "With capacity from traditional providers expected to become increasingly scarce throughout 2014, ensuring that we have our own resource to deliver a solution for the growing volumes of corporate and SME clients is a strategic priority. 28,600 employers are staging from April this year, with the peak months being April, May and July, as employers with between 50 and 249 staff stage; there is a rise to 46,300 in 2015, as those employers with between 30 and 49 staff reach their staging dates, and a rise to 512,000 in 2016. We aim to be these employers' first port-of-call, via their local adviser, to provide guidance through the regulatory changes with the help of a specially developed Lighthouse App."

Julia Delaney, Chief Executive of Bridge Trustees Limited said: "We are very pleased to have been appointed as independent trustee to the Lighthouse Pensions Trust, as part of the newly created HMRC approved Corporate Pensions Trust, and to work with Lighthouse to provide additional capacity for the auto-enrolment market. The Trust has been designed from the outset to achieve the highest standards of governance and independence, as informed by the Pensions Regulator and OFT guidance and we will, on behalf of the members, be responsible for ensuring this continues. We look forward to welcoming

Lighthouse representatives on to the independent governance committee of this new master trust.”

Gallia Grimston, Director of Elston Consulting Limited which developed the age-based BirthStar® target date funds specifically for auto-enrolment said: “We are delighted that the Trustees of the Lighthouse Pensions Trust consider BirthStar® funds to be a suitable default. Like NEST, we believe that dynamically-managed target date funds represent the gold standard for a default option.”

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NOTES FOR EDITORS

1. Lighthouse Group Plc. is an AIM-listed company [since 2000] and the UK's largest autonomous national intermediary providing financial advice to personal and corporate clients via over 500 experienced advisers located throughout the UK. It is the leading provider of financial advice to employees of large organisations and members of the major trades unions and other affinity groups. Lighthouse won the prestigious Large IFA of the Year Award at the FT Business Financial Adviser Life and Pensions Awards in 2010, 2011 and 2012. Lighthouse GEB on-boarded the first ever adviser introduced AE scheme to NEST in 2011.
2. Bridge Trustees Limited is a 100% owned subsidiary of Eversheds LLP, one of the largest law firms in the world. Bridge Trustees is a professional independent trustee responsible for a range of pension schemes and a specialist in master trusts.
3. The Lighthouse Pensions Trust is an unbundled master trust, ensuring that the performance of its investment and administration partners will be under continuous review.
4. An independent governance committee, to be chaired by Lighthouse representatives, will have oversight of, but not responsibility for, trustee decisions.
5. The annual management charge of the master trust is 0.75% in line with the lower level of the Department of Work and Pensions proposed fee cap and in line with the NAPF's PQM Ready guidelines.
6. Elston Consulting Limited is a specialist investment consultant that developed the age-based BirthStar® target date funds for the auto-enrolment market.

7. BirthStar® age-based target date funds were developed by Elston Consulting and launched in October 2012 and are managed by AllianceBernstein, the global asset manager with \$451bn under management as at 31 December 2013, and a leader in target date funds for the UK market.
8. The Pensions Regulator (“TPR”) published statistics in August 2013 highlighting that 60% of SMEs in the UK had not yet started to plan for automatic-enrolment (“auto-enrolment”) or (“AE”), and, furthermore, 41% were completely unaware of their impending legal obligations.
9. Employer AE staging dates are [source TPR]:
 - From April 2014 to April 2015 – 50-249 employees
 - From August to October 2015 – 30-49 employees
 - From November 2015 to April 2017 – fewer than 30 employees
 - From April 2017 to February 2018 – new employers and others
10. Employer AE staging numbers per calendar year are:
[source TPR - as updated 23 Jan 2014]
 - 2014 – 28,600
 - 2015 – 46,300
 - 2016 – 512,000
 - 2017 – 661,000
 - 2018 – 87,000