Creative Pension Trust (the "Scheme")

Annual Statement regarding governance

Introduction

This statement has been prepared by the trustees of the Scheme (the "Trustees") in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations (the "Administration Regulations") 1996 (as amended). It describes how the Trustees have met the statutory governance standards in relation to:

- the default arrangement(s);
- requirements for processing financial transactions;
- assessment of charges and transaction costs; and
- the requirement for trustee knowledge and understanding,

between 1st April 2020 and 31st March 2021, the 2020/21 scheme year (the "Scheme Year").

The Scheme has two sections: the founding section - Creative Auto Enrolment Pension ("CAEP") and a newer section which was set up during the 2017/18 scheme year - Creative Workplace Pension ("CWP"). CAEP was set up for the purpose of assisting small to medium-sized employers comply with their minimum automatic enrolment obligations. As such, employers participating in CAEP do so on default standard terms and CAEP members are provided with a more limited range of investment options. CWP was set up for larger employers who, at the time of entry into the Scheme, are already providing pension benefits to their employees, or who require more flexibility. CWP allows employers to participate in the Scheme on bespoke terms and members of CWP are provided with a different and wider range of investment options.

COVID-19 Global Pandemic - The Scheme Year began against the backdrop of a national lockdown in the UK as result of the pandemic, with the Trustees, Creative Auto Enrolment Ltd (the "Scheme Sponsor & Manager") and all relevant service providers invoking their Business Continuity Plans to accommodate and support their staff in working from home. Regular meetings were held between the Trustees and the Scheme Sponsor & Manager in the early stages or the pandemic and changes implemented to ensure there were no significant or material disruptions to the functioning of the Scheme for members and participating employers. The successful invocation of the Business Continuity Plans for the relevant parties has demonstrated that the Scheme can be managed effectively under full lockdown restrictions indefinitely on a business as usual basis. The Trustees and Scheme Sponsor & Manager also provided relevant information and guidance to both members and employers in relation to the pandemic during the Scheme Year via the online Member Portal and Scheme website.

The Pensions Regulator's Scams Pledge – Subsequent to the Scheme Year end, on 4 May 2021, the Trustees self-certified their compliance with the Pensions Regulator's drive to combat pension scams in pledging to take relevant steps to protect members from the increasing risk of pension scams, including additional signposting to information and guidance for members.

Net Zero Carbon Commitment - On 4 August 2021 the Trustees and Scheme Sponsor & Manager announced commitments to achieve net zero carbon emissions by 2050 and a 50% reduction in carbon emissions by 2030 for all member investments in the form of the 'ZeroByFifty' and 'FiftyByThirty' initiatives following commitments made by the Scheme's underlying investment fund managers. The Trustees expect to report on progress in reaching those targets, as well as the Scheme's management of climate change risks and opportunities annually from 2022 (in accordance with the Task Force on Climate-related Financial Disclosures' recommendations).

1. Default arrangements

The following arrangements are the Scheme's "default arrangement(s)" for the purposes of the Administration Regulations:

- The Strategic Pensions Investment Approach – the default arrangement for CAEP (the "CAEP Default Arrangement"); and
- The Lifestyle Strategy Fund – the default arrangement for CWP (the "CWP Default Arrangement"),

(together the "Default Arrangements").

1.1 Statements of investment principles

Appended to this statement are copies of the Scheme's latest Statements of Investment Principles ("SIPs") relating to CAEP and CWP respectively. These govern the Trustees' decisions about investments, including the aims, objectives and policies for the Default Arrangements, prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005. In particular each SIP covers:

- the Trustees' investment objectives;
- the Trustees' policies on risk and return;
- the Trustees' Environmental, Social and Governance (ESG) Investment Policy;
- the Trustees' approach to voting and stewardship; and
- how the relevant Default Arrangement is intended to ensure that assets are invested in the best interests of members and beneficiaries.

The SIPs for both sections of the Scheme were reviewed in September 2020 and incorporate the Trustees' policy on ESG-related issues. Following the review, no changes were proposed in relation to the current investment strategy or structure of either section nor has there been any impact on the investment approach being followed.

1.2 Review of default arrangements

CAEP

The Trustees carried out a detailed review of the strategy and performance of the CAEP Default Arrangement on 15 March 2021. This was in addition to the normal performance review of funds which make up the CAEP Default Arrangement undertaken at each quarterly, ordinary Trustees' meeting.

In order to assist with the review, a report was prepared by the Trustees' appointed Investment Adviser, using information provided by the Scheme Administrator. The report was prepared to provide the Trustees with information, guidance and recommendations to enable them to assess whether:

- the investment approach being followed remains appropriate for the actual and expected membership of the CAEP;
- sufficient allowance is made for the methods in which members may choose to vest their benefits;
- the investment costs are appropriate and represent value for money;
- the investments are secure;
- the investments are understandable for members; and
- changes can be made to the investment proposition if and when appropriate.

In conducting the review, the Trustees took into consideration that CAEP membership consists entirely of small to medium -sized employers who are using the Scheme to comply with their automatic enrolment ("AE") responsibilities. As such, CAEP has a pre-determined scheme structure and, for investment purposes, a fund range that recognises that the majority of contributions will be invested in accordance with the CAEP Default Arrangement. As such, contributions (which are normally based on Qualifying Earnings i.e. earnings between the lower and upper earnings levels used for calculating National Insurance contributions) to the Scheme are expected to remain relatively low (and in line with AE legislative requirements) for the short to medium term, as are the average fund sizes of the Scheme members.

In conducting the review, the Trustees also took into consideration the findings of the Financial Conduct Authority ("FCA") retirement income market report released on 29 September 2020 (the "FCA Report") which outlined how members are expected to take their benefits at retirement. The findings of this report, the average fund size and the actual age profile of members assisted the Trustees in their review of how the CAEP Default Arrangement is invested as members get closer to the Scheme's "Normal Retirement Age".

This enabled the Trustees to be satisfied that the default strategy being adopted for CAEP remains fit for purpose and in the members' best interests.

In addition, the Trustees reviewed the extent to which the return on investments relating to the CAEP Default Arrangement (after deduction of any charges relating to those investments) is consistent with the aims and objectives of the CAEP Default Arrangement. The key objective being to enable members to build up and secure appropriate retirement benefits while being exposed to an acceptable level of investment risk.

By reviewing the information provided within the report prepared by the Trustees' appointed Investment Adviser, which included details of:

- the asset allocation;
- the cumulative investment performance over periods of time ranging from 3 months to 5 years; and
- the discrete annual investment performance over the 5-year period ending on 31 December 2020 against the fund benchmarks, together with the volatility and Sharpe and/or Sortino ratio of the funds,

the Trustees were satisfied that the return on investments relating to the CAEP Default Arrangement remains consistent with its aims and objectives and that no action was required to be taken with regard to either the strategy or structure of the funds within the CAEP Default Arrangement.

In addition to the annual review, the Trustees review the investment performance of the funds that make up the CAEP Default Arrangement at every ordinary quarterly Trustees' meeting. At each of those Trustees' meetings the Trustees are provided with a quarterly investment report, prepared by the Trustees' appointed Investment Adviser and based on Scheme information provided by the Scheme Administrator.

The reports provide information on fund performance, confirmation of the applicable charges, how the underlying funds are invested geographically, as well as their volatility. These reviews were conducted throughout the Scheme Year and no significant changes were made as a result of these more regular reviews.

CWP

The Trustees carried out a detailed review of the strategy and performance of the CWP Default Arrangement on 15 March 2021.

In order to assist with the review a report was prepared by the Trustees' appointed Investment Adviser, using information provided by the Scheme Administrator. The report was prepared to provide the Trustees with information, guidance and recommendations to enable them to assess whether:

- the investment approach proposed was appropriate for the expected membership of CWP;
- sufficient allowance was made for the methods in which members may choose to vest their benefits;
- the investment costs are appropriate and represent value for members;
- the investments are secure;
- the investments are understandable for members and
- changes can be made to the investment proposition if and when appropriate.

In conducting the review, the Trustees took into consideration that the CWP is more appropriate for larger employers who were already providing pension benefits for their employees and that these employees may also have access to advice.

As such, and due to the bespoke nature of the CWP section, the expectation is that members would be more used to pension saving and would require a more expansive fund range.

In conducting the review, the Trustees also took into consideration the findings of the FCA Report, which outlined how members are expected to take their benefits at retirement. The findings of this report, the average fund size and the actual age profile of members assisted the Trustees in their review of how the CWP Default Arrangement is invested as members get closer to the Scheme's "Normal Retirement Age". This enabled the Trustees to be satisfied that the default strategy being adopted for the CWP section remains fit for purpose and in the members' best interests.

In addition, the Trustees reviewed the extent to which the return on investments relating to the CWP Default Arrangement (after deduction of any charges relating to those investments) is consistent with the aims and objectives of the CWP Default Arrangement. The key objective being to enable members to build up and secure appropriate retirement benefits while being exposed to an acceptable level of investment risk.

By reviewing the information provided within the report prepared by the Trustees' appointed Investment Adviser, which included details of:

- the asset allocation;
- the cumulative investment performance over periods of time ranging from 3 months to 5 years; and
- the discrete annual investment performance over the 5 -year period ending 31 December 2020 against the fund benchmarks, together with the volatility and Sharpe and/or Sortino ratio of the Creative Accumulation Fund element of the CWP Default Arrangement,

the Trustees were satisfied that the return on investments relating to the CWP Default Arrangement remains consistent with its aims and objectives.

The Trustees did accept a recommendation from their Investment Adviser on 15 March 2021 to increase the Creative Accumulation Fund's tolerance level for rebalancing from 2% to 3% with the intention of reducing the number of rebalancing events each year, and hence reducing transaction costs without materially affecting the investment risk level. The change was instructed on 25 March 2021 and effective from 31 March 2021.

Further to proposals presented by the Trustees' appointed Investment Adviser at the Trustees' meeting on 15 March 2021 the Trustees accepted a recommendation presented by their Investment Adviser at the 7 June 2021 Trustees' meeting to switch 5% of the allocation in the Creative Accumulation Fund out of the State Street Global Advisors As Of Priced (Net) International ESG Screened Index Equity Sub-Fund into the new State Street Global Advisors As Of Priced (Net) Emerging Markets ESG Screened Index Equity Sub-Fund and adjust the ongoing target allocation of the Creative Accumulation Fund in line with that. That investment switch was confirmed by the CWP Investment Manager on 5 July 2021. The intention of that switch was to increase the overall longer terms return potential of the Creative Accumulation Fund while increasing internal diversification and without significantly increasing the overall risk level of the Creative Accumulation Fund for the benefit of the members investing in it.

In addition to the annual review, the Trustees review the investment performance of the funds that make up the CWP Default Arrangement at every ordinary quarterly Trustees' meeting. At each of those Trustees' meetings the Trustees are provided with a quarterly investment report, prepared by the Trustees' appointed Investment Adviser and based on Scheme information provided by the Scheme Administrator. The reports provide information on fund performance, confirmation of the applicable charges, how the underlying funds are invested geographically, as well as their volatility. These reviews were conducted throughout the Scheme Year and no significant changes were made as a result of these more regular reviews other than the change to the Creative Accumulation Fund's tolerance level for rebalancing, as detailed above.

2. Requirements for processing financial transactions

"Core financial transactions" include (but are not limited to):

- investment of contributions in the Scheme;

- transfers of assets relating to members into and out of the Scheme;

- transfers of assets relating to members between different investments within the Scheme; and

- payments from the Scheme to, or in respect of, members.

During the Scheme Year, the Trustees established that "core financial transactions" were processed promptly and accurately in the following ways. The contract terms in place with HS Administrative Services Ltd, the Scheme Administrator, include Service Level Agreements (SLAs) which outline the expected timeframes for processing member benefit payments and instructions. These SLAs include the processing of transfers into and out of the Scheme, the switching of investment funds as directed by members, the settlement of death benefits and retirement claims. The Trustees review any complaints, errors or non-conformances on a quarterly basis which would assist in identifying any administrative failings to identify any inaccuracies.

The Trustees monitor compliance with the SLAs in a number of ways. The Scheme Administrator provides a quarterly Administration Report to the Trustees which is reviewed at each quarterly ordinary Trustees' meeting. The reports include details of the Scheme Administrator's performance against the agreed SLAs. In addition, the Trustees undertake a further annual review of the Scheme Administrator's AAF 01/06 report which outlines the findings of a yearly external independent audit of the Scheme Administrator's systems and processes including the reconciliation of pension contributions received, the allocation of contributions to member accounts and the daily monitoring of the Scheme's Trustee bank account.

In addition, a standing Trustees' meeting agenda item is also in place regarding the payment of contributions to the Scheme by all participating employers and relevant reporting where payments are not paid within regulatory timeframes and in accordance with the Pensions Regulator's Code of Practice.

There were delays in investing some member contributions during the Scheme Year due to employer identification issues, missing payroll information, system outages and payroll file processing failures which meant some contribution files had to be resubmitted to the Scheme Administrator (to enable contribution collection). Further details are provided under section 2.1 below in respect of Event 3. Further work continues to be undertaken to ensure employer identification, payroll information transfer and system and process failures monitoring is continually improved. Systems and processes are continually being assessed to increase automation and improve reliability. Where required, any member detriment caused by the delay in investment was addressed, or will be addressed. The quantum of affected members' financial detriment is calculated by reviewing the number of units that would have been purchased had the contributions been invested at the appropriate time against the number of units that are actually purchased.

Wider processes also continue to be improved and monitored in conjunction with the Scheme Administrator and this in turn helps ensure further refinements are made to improve efficiencies in administration processes including for example, the contribution collection process.

2.1 Significant Event Reports

Since the end of Scheme Year, the Trustees have been made aware of four events which have resulted in financial detriment to members and therefore have been reported to the Pensions Regulator ("TPR") in line with TPR's Significant Event Reporting requirements. One of these events impacted contributions during the Scheme Year and one event affected the return on one of the Scheme funds during the Scheme Year. The other two fell within the current (2021/22) Scheme year. Brief summaries of the four events are provided below:

Event 1

As a result of a software update installation issue, submission of contribution file data to the Scheme Administrator (HS Administrative Services Ltd) from the Scheme Sponsor & Manager's Auto Enrolment system was blocked for multiple participating employers affecting multiple contribution files between 30 May 2021 and 17 June 2021. This resulted in a delay to the collection and investment of contributions and the majority of affected members being subject to some financial detriment as a result. The event was reported to TPR on 22 June 2021. Full detriment assessment calculations and a redress exercise was carried out to correct members' fund and unit values which was completed on 27 August 2021, with the exception of a small number of employers where contribution collection was not possible due to failure of the direct debit on the employers' bank or building society account. For those few exceptions collection of the contributions is being pursued via the normal late payment process and detriment assessment and any relevant member redress will be actioned once the payments are received from the employers.

Event 2

The provider of an index that is tracked by one of the sub funds in the CWP Default Arrangement had excluded certain investee organisations from the index in error between 18 November 2020 and 5 February 2021. That sub fund is one component of the Creative Accumulation Fund. That resulted in a reduction in investment return over that period, which caused financial detriment for a significant number of members invested in the Creative Accumulation Fund during that period. The Investment Manager for CWP provided full details to the Trustees on 29 June 2021 and the event was reported to TPR on 30 June 2021. As at the date of this statement, a detriment assessment exercise is underway to identify the amount of financial detriment suffered by individual members to enable those members to be provided with appropriate financial redress. That work is ongoing and currently it is expected that all members that have suffered financial detriment will be redressed by the end of November 2021.

Event 3

As a result of extensive audit work carried out following discovery of Event 1 above, it was identified that a number of other contribution files, for multiple participating employers had not been correctly submitted to, or processed by, the Scheme Administrator between 31 October 2020 and 8 July 2021. There were several reasons identified as to why the contribution files had not been processed correctly. As a result, the collection and investment of those contributions was delayed for the affected members and a significant proportion of those members will have suffered financial detriment due to lost investment return. The event was identified on 22 July 2021 and reported to TPR on 23 July 2021. As at the date of this statement, work is ongoing to finalise the details of the employers, contribution files and members affected before a detriment assessment exercise will be carried to identify any members that have suffered financial detriment, at which point those members will be redressed in full for that detriment. That process is expected to be completed by the end of November 2021. Relevant systems and processes are being reviewed with system developments planned with the aim of eliminating any future occurrence of this type of event.

Event 4

As a result of the Investment Manager for CAEP undertaking some internal systems work on 19 July 2021 an internal report to instruct investment of assets for the Scheme failed, which resulted in a one day delay for the investments. The CAEP Investment Manager performed a detriment assessment and confirmed a loss for five of the six investment trades that were delayed on 23 July 2021 and the event was reported to TPR on 26 July 2021.The Investment Manager therefore purchased additional units in the investment funds affected on 27 July 2021. The Scheme Administrator then undertook work to correct the Scheme records for affected members, which was completed on 27 August 2021.

3. Assessment of member-borne charges and transaction costs

3.1 Level of member-borne charges and transaction costs

In accordance with regulation 25(1) (a) of the Administration Regulations, the Trustees calculated the "charges" and the "transaction costs" borne by members of the Scheme during the Scheme Year. The Trustees have followed statutory guidance when preparing this section of the statement.

For these purposes "charges" means administration charges other than transaction costs, costs relating to certain court orders, charges relating to pension sharing under the Welfare Reform and Pensions Act 1999, winding up costs and costs associated with the provision of death benefits. Transaction costs are those incurred as a result of the buying, selling, lending or borrowing of investments.

Charges include the standard "fund based charge", which is fixed for each fund and explicit "additional expenses" that can vary from time to time for each fund. Transaction costs are implicit and variable over difference periods and funds.

During the Scheme Year the level of fund based charges applicable to the Default Arrangements ranged from 0.3% p.a. up to a maximum of 0.4% p.a. of the funds under management. Members may also be invested in a range of other funds where a different level of fund based charge may apply. In addition to these fund based charges additional investment costs may be payable.

The Trustees have reviewed these additional investment costs as these are an important component of the overall costs faced by members; they can have the effect of reducing the net investment returns of the funds.

Additional investment costs are incurred by the Scheme for two reasons. Firstly, a fund manager will trade in markets to invest money flowing into or out of the fund as members pay in or leave the Scheme. Secondly, they will implement investment decisions in the course of the day to day fund management.

These further costs can be broken down into two categories. The first is additional expenses which are explicit and where for example an invoice could be generated. Examples include brokerage fees, stamp duty and custodian fees.

The second category involves transaction costs, which cannot be directly observed and will include (but are not limited to) bid-offer spreads, the difference between the decision price and the actual execution price of a trade, and market impact (the change in the price of a security caused by the trade). These implicit costs can be positive or negative.

There is also a monthly member charge which, during the Scheme Year, was £1.20 per calendar month for "deferred" members for whom no active ongoing regular monthly contributions are being paid into the Scheme, and £2.00 per calendar month for "active" members with ongoing regular contributions.

The Trustees have provided a breakdown of all of these charges (including the additional expenses and the transaction costs), for the Scheme Year, for all of the funds within the Scheme in the table below: -

Fund	Fund Based Charge %	Additional Expenses %	Transaction Costs (Note 2) %	Total %	Monthly Member Fee	
					Active £	Deferred £
CAEP						
Scottish Widows Cash (Note 1)	0.40	0.00	0.01	0.41	2.00	1.20
Scottish Widows Pension Portfolio Three (Note 1)	0.40	0.00	0.07	0.47	2.00	1.20
Scottish Widows Pension Portfolio Four (Note 1)	0.40	0.00	0.06	0.46	2.00	1.20
Scottish Widows Pension Protector	0.40	0.00	-0.01	0.39	2.00	1.20
Scottish Widows Pension HSBC Islamic	0.70	0.00	0.03	0.72	2.00	1.20
Scottish Widows Pension LGIM Ethical Global Equity	0.70	0.00	0.00	0.70	2.00	1.20
CWP						
ML Creative Accumulation Fund (Note 1)	0.30	0.00	0.03	0.33	2.00	1.20
ML Passive All Stock Corporate Bond Fund (Note 1)	0.30	0.00	0.02	0.32	2.00	1.20
ML Sterling Liquidity Fund (Note 1)	0.30	0.00	0.00	0.30	2.00	1.20
ML Pre-Retirement Fund	0.75	0.00	0.00	0.75	2.00	1.20
ML Conservative Fund	0.75	0.00	0.00	0.75	2.00	1.20
ML Retirement Builder	0.75	0.00	0.00	0.75	2.00	1.20
ML Diversified Beta Fund	0.75	0.01	0.00	0.76	2.00	1.20
ML Equity Accumulation Fund	0.75	0.01	-0.01	0.75	2.00	1.20
ML 2060 Retirement Age Fund	0.75	0.01	-0.01	0.75	2.00	1.20
ML 2055 Retirement Age Fund	0.75	0.01	-0.01	0.75	2.00	1.20
ML 2050 Retirement Age Fund	0.75	0.01	-0.01	0.75	2.00	1.20
ML 2045 Retirement Age Fund	0.75	0.01	-0.01	0.75	2.00	1.20
ML 2040 Retirement Age Fund	0.75	0.01	0.00	0.75	2.00	1.20
ML 2035 Retirement Age Fund	0.75	0.00	0.00	0.75	2.00	1.20
ML 2030 Retirement Age Fund	0.75	0.00	0.00	0.75	2.00	1.20
ML 2025 Retirement Age Fund	0.75	0.00	0.00	0.75	2.00	1.20
ML 2020 Retirement Age Fund	0.75	0.00	0.00	0.75	2.00	1.20
ML Passive Emerging Market Equity Fund	0.70	0.05	-0.04	0.71	2.00	1.20
ML Passive Global Ex-UK Equity GBP Hedged Fund	0.50	0.01	-0.01	0.50	2.00	1.20
ML Passive UK Equity Fund	0.45	0.00	0.00	0.45	2.00	1.20
ML All Stock UK Corporate Bond Fund	0.60	0.02	0.12	0.74	2.00	1.20
ML Passive Global Real Estate Equity Fund	0.65	0.00	0.16	0.81	2.00	1.20
ML DGF Solutions Fund	1.00	0.08	0.45	1.53	2.00	1.20

ML Shariah Fund	0.70	0.00	0.02	0.72	2.00	1.20
ML Passive Ethical Equity Fund	0.70	0.00	0.00	0.70	2.00	1.20
ML Retirement Ready Fund	0.75	0.00	0.00	0.75	2.00	1.20

Notes:
1. These funds make up the Scheme Default Arrangements. The actual funds invested and the proportions thereof are determined by age.
2. Transactions costs are rounded to two decimal places.

In accordance with regulation 23(1)(ac) of the Administration Regulations, the effect of the charges and transaction costs for each of the funds is shown in the table below together with the assumptions that have been used in calculating these figures. It is important to note that it is not possible to manage investments without incurring costs and charges but it is the Trustees' responsibility to ensure that the costs and charges are reasonable and represent value for members.

CAEP

Assumptions:

1) Projected pot values are shown in today's terms and do not need to be further reduced for the effect of future inflation
2) The starting pot size is assumed to be £2,125
3) Inflation is assumed to be 2.5% each year
4) Contributions are assumed from age 22 to 65 and increase in line with inflation
5) The level of assumed monthly contribution is £120
6) Values shown are estimated and are not guaranteed
7) The projected growth rate (PGR) for each fund is detailed under the name of each fund in the table below
8) The projections take into account the effect of all charges and additional investment costs (including transaction costs) based on the average of such costs as provided by the fund manager and in accordance with statutory requirements.

Fund Choice						
Years	Default Arrangement PGR 0.59% below inflation		Scottish Widows Cash Pension (Series 5) Fund PGR 1.95% below inflation		Scottish Widows Pension Portfolio Four Pension (Series 5) Fund PGR 0.98% below inflation	
	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	3540	3510	3490	3450	3520	3480
5	9240	9000	8690	8480	8960	8730
10	16300	15700	14600	14100	15400	14900
15	23400	22300	20000	19100	21600	20600
20	30600	28700	24900	23600	27500	26000
25	37700	35000	29300	27600	33200	31000
30	44600	41000	33300	31200	38500	35700
35	49800	45400	37000	34300	43600	40000
40	54100	48900	40300	37100	48500	44100
43	55600	50000	42100	38700	51300	46400

Fund Choice						
Years	Scottish Widows Pension Portfolio Three Pension (Series 5) Fund PGR 0.00%		Scottish Widows Pension Protector Pension (Series 5) Fund PGR 1.46% below inflation		Scottish Widows Pension HSBC Islamic Fund PGR 2.44 above inflation	
	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	3540	3510	3500	3470	3610	3580
5	9240	9000	8830	8600	9970	9710
10	16300	15700	15000	14400	18800	18100
15	23400	22300	20800	19800	28800	27400
20	30600	28700	26200	24700	40000	37600
25	37700	35000	31200	29100	52700	49000
30	44800	41200	35800	33200	67100	61500
35	51900	47200	40100	36800	83200	75400
40	59000	53200	44100	40200	101000	90700
43	63300	56600	46400	42000	113000	100000

Fund Choice		
Years	Scottish Widows Pension L&G Ethical Global Equity Index Fund PGR 2.44% above inflation	
	Pot Value Without Charges	Pot Value With Charges
1	3610	3580
5	9970	9710
10	18800	18100
15	28800	27400
20	40000	37600
25	52700	49000
30	67100	61500
35	83200	75400
40	101000	90700
43	113000	100000

CWP

Assumptions:

1) Projected pot values are shown in today's terms and do not need to be further reduced for the effect of future inflation
2) The starting pot size is assumed to be £5,560
3) Inflation is assumed to be 2.5% each year
4) Contributions are assumed from age 22 to 65 and increase in line with inflation
5) The level of assumed monthly contribution is £155
6) Values shown are estimated and are not guaranteed
7) The projected growth rate (PGR) for each fund is detailed under the name of each fund in the table below

8) The projections take into account the effect of all charges and additional investment costs (including transaction costs) based on the average of such costs as provided by the fund manager and in accordance with statutory requirements.

Fund Choice						
Years	Default Arrangement PGR 0.62 above inflation		ML 2020 Retirement Age Fund PGR 0.20% below inflation		ML 2025 Retirement Age Fund PGR 0.49% above inflation	
	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	7480	7420	7380	7310	7430	7360
5	15400	15000	14600	14100	15000	14500
10	25900	24900	23600	22400	24600	23300
15	37100	35100	32500	30200	34600	32100
20	49000	45800	41400	37700	44700	40800
25	61600	57000	50100	44900	55100	49400
30	74900	68300	58800	51700	65800	57900
35	86100	77900	67400	58300	76700	66300
40	96000	86300	75900	64500	87900	74600
43	97800	87700	80900	68100	94800	79500

Fund Choice						
Years	ML 2030 Retirement Age Fund PGR 0.10% above inflation		ML 2035 Retirement Age Fund PGR 0.88% above inflation		ML 2040 Retirement Age Fund PGR 1.07% above inflation	
	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	7400	7330	7450	7380	7460	7390
5	14800	14300	15200	14700	15300	14800
10	24000	22800	25200	23900	25600	24200
15	33400	31000	35800	33300	36400	33800
20	42800	39000	46800	42700	47900	43600
25	52200	46800	58300	52200	59900	53600
30	61700	54300	70300	61800	72700	63700
35	71200	61600	82800	71500	86100	74100
40	80800	68700	95900	81300	100000	84600
43	86500	72900	104000	87200	109000	91000

Fund Choice						
Years	ML 2045 Retirement Age Fund PGR 1.17% above inflation		ML 2050 Retirement Age Fund PGR 1.37% above inflation		ML 2055 Retirement Age Fund PGR 1.07% above inflation	
	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	7470	7400	7480	7410	7460	7390
5	15300	14800	15400	14900	15300	14800
10	25700	24300	26000	24600	25600	24200

15	36700	34100	37400	34600	36400	33700
20	48400	44100	49500	45000	47900	43500
25	60800	54300	62500	55700	59900	53400
30	73900	64700	76400	66700	72700	63500
35	87800	75300	91300	78100	86100	73700
40	102000	86300	107000	89800	100000	84100
43	111000	92900	117000	97000	109000	90500

	Fund Choice					
	ML 2060 Retirement Age Fund PGR 1.27% above inflation		ML All Stock UK Corporate Bond Fund PGR 0.98% below inflation		ML Conservative Fund PGR 0.00%	
Years	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	7480	7400	7330	7260	7390	7320
5	15400	14900	14200	13800	14700	14200
10	25900	24500	22500	21300	23900	22600
15	37100	34300	30400	28300	33100	30700
20	49000	44500	37900	34700	42300	38500
25	61600	54900	45100	40600	51500	46000
30	75200	65600	51900	46000	60700	53200
35	89500	76500	58400	51000	69900	60200
40	104000	87800	64500	55600	79100	66900
43	114000	94700	68100	58100	84600	70900

	Fund Choice					
	ML Creative Accumulation Fund PGR 1.27% above inflation		ML DGF Solutions Fund PGR 1.37%% above inflation		ML Diversified Beta Fund PGR 1.27% above inflation	
Years	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	7480	7420	7480	7370	7480	7410
5	15400	15000	15400	14600	15400	14900
10	25900	24900	26000	23600	25900	24500
15	37100	35100	37400	32700	37100	34400
20	49000	45800	49500	41700	49000	44600
25	61600	57000	62500	50700	61600	55100
30	75200	68600	76400	59700	75200	65900
35	89500	80600	91300	68700	89500	77000
40	104000	93100	107000	77700	104000	88500
43	114000	100000	117000	83100	114000	95500

Fund Choice						
Years	ML Equity Accumulation Fund PGR 2.44% above inflation		ML Passive All Stock Corporate Bond PGR 0.98% below inflation		ML Passive Emerging Market Equity Fund PGR 2.44% above inflation	
	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	7550	7480	7330	7300	7550	7490
5	16000	15500	14200	14000	16000	15500
10	27800	26300	22500	22100	27800	26400
15	41200	38100	30400	29700	41200	38400
20	56300	50900	37900	37000	56300	51400
25	73300	64900	45100	43800	73300	65600
30	92400	80000	51900	50300	92400	81100
35	114000	96500	58400	56400	114000	98000
40	138000	114000	64500	62200	138000	116000
43	154000	125000	68100	65500	154000	128000

Fund Choice						
Years	ML Passive Ethical Equity Fund PGR 2.44% above inflation		ML Passive Global ex UK Equity GBP Hedged Fund PGR 2.44% above inflation		ML Passive Global Real Estate Equity Fund PGR 2.44% above inflation	
	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	7550	7480	7550	7500	7550	7480
5	16000	15500	16000	15600	16000	15500
10	27800	26400	27800	26900	27800	26300
15	41200	38200	41200	39300	41200	38200
20	56300	51200	56300	53000	56300	51000
25	73300	65200	73300	68100	73300	65000
30	92400	80600	92400	84900	92400	80200
35	114000	97300	114000	103000	114000	96800
40	138000	115000	138000	123000	138000	114000
43	154000	127000	154000	137000	154000	126000

Fund Choice						
Years	ML Passive UK Equity Fund PGR 2.44% above inflation		ML Pre-retirement Fund PGR 0.88% below inflation		ML Retirement Builder Fund PGR 0.88% above inflation	
	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	7550	7500	7340	7260	7450	7380
5	16000	15600	14300	13800	15200	14700
10	27800	26800	22600	21400	25200	23900
15	41200	39100	30700	28400	35800	33300
20	56300	52700	38300	34800	46800	42700
25	73300	67600	45700	40700	58300	52200

30	92400	84200	52700	46200	70300	61800
35	114000	102000	59400	51200	82800	71500
40	138000	122000	65800	55800	95900	81200
43	154000	135000	69500	58400	104000	87100

Fund Choice						
Years	ML Shariah Fund PGR 2.44% above inflation		ML Sterling Liquidity Fund PGR 1.95% below inflation		ML Retirement Ready Fund PGR 0.20% below inflation	
	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges	Pot Value Without Charges	Pot Value With Charges
1	7550	7480	7270	7220	7380	7310
5	16000	15500	13700	13500	14600	14100
10	27800	26300	21200	20600	23600	22400
15	41200	38200	28000	27000	32500	30200
20	56300	51000	34100	32700	41400	37700
25	73300	65000	39600	37800	50100	44900
30	92400	80300	44600	42400	58800	51700
35	114000	96800	49200	46500	67400	58300
40	138000	114000	53300	50100	75900	64500
43	154000	126000	55600	52100	80900	68100

3.2 Value assessment

In accordance with regulation 25(1) (b) of the Administration Regulations, during the Scheme Year the Trustees assessed the extent to which the charges and transaction costs set out in section 3.1 above represent good value for members.

In making this assessment and a wider assessment of "value for money" the Trustees have had to determine a framework for defining "value for money" recognising the subjective nature of the concept and that no single definition can apply in all circumstances. The framework identifies a need to focus on **Quality, Risk, Relevance,** and **Cost**. This is supported by framework statements which are intended to assist in the analysis of value for money, including:

- Value is more than just cost;
- Assessing "Quality" needs to consider all elements that can materially impact member outcomes;
- Assessing "Relevance" needs to consider the needs of the membership and the extent to which these are reflected in any member feedback;
- Assessing "Cost" is primarily a relative assessment, with research and judgment required to assess what comparators should be used;
- Value for money is forward looking and can change over time;
- Value for money is primarily concerned with anticipated outcomes at retirement;
- Cross-subsidies inevitably exist; and

- Members' interests include the stability and on-going existence of the Scheme and provider.

In conducting their assessment, the Trustees carefully considered evidence in respect of each "value for money" component and used the process of weighted ratings for these with the aim of establishing an appropriate level of objectivity to the process. In arriving at their conclusions the Trustees gave particular consideration to the design and costs associated with the Default Arrangements and the following:

- A review of the performance of the Scheme's investment funds in the context of their investment objectives;
- The investment management charges on the funds;
- A review of the non-financial benefits of the Scheme, for example, the quality of customer service (including taking into consideration the low level of negative feedback that was received by the Trustees during the Scheme Year);
- Governance;
- The Administration Services provided including the Scheme Administrator's performance against the Scheme's Service Level Agreements;
- Member communications;
- A comparison of the overall level of member charges with the benefits delivered for members; and
- The level of fees paid to all the Scheme's service providers.

The overall rating assessed by the Trustees for the Scheme Year was 86% made up as follows:

Category	Maximum Score	Actual Score
Risk	40.0	34.5
Cost	30.0	27.0
Quality	20.0	16.0
Relevance	10.0	8.5
Total	100.0	86.0

This compared with an overall rating of 86.5% for the previous Scheme year ending 31 March 2020.

In conclusion, and having taken into consideration all of the above points and further based on the number of participating employers and levels of contributions being paid to the Scheme, the Trustees are of the view that – although there is always scope for improvement – the charges and transaction costs applied in the Scheme represent good value for members.

4. Trustee knowledge and understanding ("TKU")

The Trustees' own knowledge and understanding, together with the advice, which is available to them, enables them to properly exercise their functions as trustees of the Scheme. All the Trustees are Accredited Professional Trustees. The Trustees themselves have the following experience / expertise:

Roger Mattingly – Chair of Trustees

During the Scheme Year Roger was a Trustee Director of Ross Trustees Services Limited. He has previously served as a main board Director of two leading pension consultancies in a career in the Pensions industry spanning more than 40 years. Roger is a past President of the Society of Pension Professionals. He has been a member of various industry groups including the Pensions Regulator's Stakeholder Advisory Panel, the PLSA's DB and DC Multi Employer committees and has been a member of several DWP Policy Engagement groups.

He is a Fellow of the Institute of Directors and is an editorial adviser to "Pensions: An International Journal". He chairs the trustee boards of a number of pension schemes of various shapes and sizes. In June 2021, he became the representative for the Scheme on the Department of Work & Pensions Occupational Pensions Stewardship Council.

Charles Goddard - Trustee Representative of PAN Trustees UK LLP

Charles is the Managing Partner of PAN Trustees UK LLP.

He has worked In the Pensions Industry for over 45 years, having been a Director of Bradstock Financial Services from 1983 to 1996 and also a Main Board Director of Bradstock Trustee Services Limited from 1985 to 1996, during which time he established his reputation as an independent trustee.

He joined as a founding Director of what ultimately became Capital Cranfield Trustees in 1996 and was one of the key leaders of the firm's successful growth. He became a founding and Managing Director of Capital Cranfield Trustees Limited in 1999. A role he held until leaving to join PAN Group in 2008.

He has had extensive involvement in the wider pensions industry activities and has been a member of TPAS, a member of IPTG, he was previously a member of the Pension Fund construction committee and was a major contributor to TPR E-Learning Committee for DB Scheme Wind-ups.

Rachel Brougham – Trustee Representative of BESTrustees Limited

Rachel is the most recent addition to the Trustee Board, having commenced her role on 1 September 2020. Rachel is a Trustee Executive of BESTrustees Limited and is a fully accredited professional pensions trustee. Rachel's move into professional trusteeship followed a long and successful career as an actuary and pensions consultant with one of the large employee benefit consultancies. Rachel continues to be an affiliate of the Institute and Faculty of Actuaries.

She works on a range of trustee boards of both defined benefit and defined contribution pension schemes and spent a number of years on the boards of two large providers' master trusts.

Robert Branagh - Independent Trustee

Robert is a past President of the Pensions Management Institute, Chairman of the Armed Forces Pension Scheme, and Chief Executive Officer of the London Pensions Fund Authority. On 1 May 2021 he was appointed as a non-executive Director on the Board of the Pensions Ombudsman and also has a small portfolio of trustee and non-executive roles with various organisations, as well as being Governor of the Pensions Policy Institute.

Robert has a wealth of experience across the pension industry over the last 32 years. He has worked in both the private and public sector, for insurance, trustee, and private equity owned companies, charities and a professional services firm and successfully achieved the Association of Professional Pension Trustees professional trustee accreditation on 1 February 2021.

Robert is Vice Chair of the CiFPA Pensions panel and a member of the PLSA Local Authority Pensions Committee.

Previously Robert was the Managing Director of administration at RPMI between 2009 and 2013 and was a board member and specialist and public services director at Xafinity Paymaster from 1999 to 2009. He has also served as a member of the National Association of Pension Funds' (Pensions and Lifetime Savings Association's) retirement policy council between 2011 and 2013 and served on the management board of Raising Standards in Pensions Administration (the body now known as the Pensions Administration Standards Association) from 2008 to 2010.

Trustee Advisers

The Trustees receive advice on investment, legal, audit and other issues from Creative Benefit Solutions Ltd, Sacker & Partners LLP and Crowe U.K. LLP respectively.

Knowledge and understanding

During the Scheme Year, the Trustees have met the requirements of sections 247 and 248 of the 2004 Act (requirements for knowledge and understanding) in the following ways:

- each Trustee is affiliated with professional bodies, regularly attends relevant industry events, maintains a Continuing Professional Development log and has successfully completed all relevant modules of the Pensions Regulator's Trustee Toolkit;

- the Trustee Board is provided with updates on relevant legislative and regulatory changes that impact on the Scheme;

- training has been undertaken at individual and collective Trustee level on matters such as cyber security, ESG and pension scams and the Pensions Act 2021 over the course of the 2020/21 Scheme Year;

- individual Trustees have also spoken on a range of pension topics to industry bodies at seminars and conferences, over the course of the Scheme Year, including the Pensions and Lifetime Savings Association (PLSA) Master Trust Reference Group meeting on 6 May 2020 and the Department for Work and Pensions (DWP) round table on cost disclosures on 30 July 2020;

- the Trustee Board has been represented at a number of the Pensions Regulator's forums during the Scheme Year relating to pension scams and Master Trust Supervision including the pledge to combat pension scams webinar on 24 November 2020 and the Master Trust supervision update on 3 March 2021;

- the Trustees each have knowledge of the law relating to pensions and trusts, principles of investment and the requirements for funding a pension scheme. This is evidenced through the challenge provided to the various Scheme service providers as recorded in the Trustees' meeting minutes and in the Trustees' Annual Business Planner established by the Trustees to review the performance of the Scheme;

- the Trustee Board has access to professional advisers (see details above) where required;

- the Trustee Board has exercised its discretion and powers in line with the Scheme Trust Deed and Rules, current legislation and regulation thereby demonstrating its working knowledge of the Trust Deed and Rules and, where required, legal advice has been taken during the Scheme Year;

- a Trustees' Annual Business Planner is in place for the Scheme, clearly setting out the items to be actioned during the Scheme Year and this was followed. This also incorporates reviews of certain Trustee policies, regarding matters such as Fitness and Propriety and Conflicts of Interest which evidences the Trustees' working knowledge of these documents. This Trustee control is independently audited on an annual basis as part of the AAF05/20 (previously AAF02/07) Master Trust Assurance Framework (MAF) audit process;

- during the Scheme Year the SIPs for both sections of the Scheme have been reviewed. The consideration and review of these by the Trustees means they are fully conversant with the SIPs for both sections;

- further work has also been undertaken during the Scheme Year regarding the Trustees' stance on Environmental, Social and Governance matters which has been incorporated in the SIPs which further evidences the Trustees' conversance with the SIPs for both sections; and

- any new Trustee appointed is required to have completed all relevant modules of the Pensions Regulator's Trustee Toolkit prior to their formal appointment and are also required to familiarise themselves with a set of induction materials, including the Scheme Trust Deed and Rules, the Scheme Benefit Annex, the SIPs, Member and Investment Guides, the previous year's Scheme Accounts and copies of recent Trustees' meeting minutes within six months of their appointment. There was one new Trustee appointed during the Scheme Year (see above details for Rachel Brougham as representative of BESTrustees Limited).

In order to have structure around identifying and addressing any gaps in knowledge and understanding, the Trustees have a Trustee Fitness and Propriety declaration policy in place which each Trustee is required to complete alongside an individual skills matrix in order to self-assess the skills, knowledge, understanding and experience that he or she has. The Trustee Board now uses this as the basis for an annual assessment of TKU. The results are reviewed by the Chair of Trustees and the Scheme Sponsor & Manager alongside the Trustee Fitness and Propriety Policy to agree or challenge the personal assessment and the effectiveness of the Trustee Board as a whole.

Alongside a skills matrix, this assessment is used to identify any knowledge gaps and if any external specialist training is required, and in what circumstances. In addition, and following the completion of the questionnaire by the Trustees, the Chair of Trustees then undertakes a review of the collective skill sets of the Trustee Board in order to ensure that if there is any collective knowledge or skills gaps, these can be addressed and any relevant training undertaken. No such gaps were identified during the Scheme Year.

For the reasons above, the Trustees' combined defined contribution, investment and administration system related knowledge, together with advice from highly qualified and relevant investment and legal advisers, enables the Trustee Board to properly exercise its duties and responsibilities to the Scheme.

5. Majority of trustees to be "non-affiliated"

During the Scheme Year there have been a maximum of four Trustees on the Trustee Board, all of whom, including the Chair of the Trustees and the representatives of PAN Trustees UK LLP and BESTrustees Limited are, and have been throughout the Scheme Year (or in the case of BESTrustees Limited, since appointment), "non-affiliated".

For these purposes, “non-affiliated” means “independent of any undertaking which provides advisory, administration, investment or other services in respect of the relevant multi-employer scheme”. In addition, for the purposes of determining whether a person is “non-affiliated” the following matters have been taken into account, as required by law:

- whether the person:
    - is a director, manager, partner or employee of an undertaking which provides advisory, administration, investment or other services in respect of the scheme (a “service provider”) or an undertaking which is connected to a service provider; or
    - has been such a director, manager, partner or employee during the period of five years ending with the date of the person’s appointment as a trustee;
- whether the person receives any payment or other benefit from a service provider, other than:
    - a payment or other benefit in respect of a role in the governance of a personal pension scheme in which the person is required to act in the interests of some or all of the scheme’s members; or
    - a payment in respect of the person’s role as trustee of the relevant multi-employer scheme;
- whether or not, in the person’s relationship with a service provider, the person’s obligations to the service provider conflict with their obligations as a trustee of the relevant multi-employer scheme and whether their obligations as a trustee will take priority in the case of a conflict.

The Trustees are satisfied that these conditions have been met in relation to all the Trustees. Two of the Trustees, PAN Trustees UK LLP and BESTrustees Limited, are professional trustee firms, and meet the additional legal requirements for such bodies to count as non-affiliated. During the Scheme Year, Charles Goddard (PAN Trustees UK LLP) and Rachel Brougham (BESTrustees Limited) were the nominated representatives.

At the end of the 2019/20 Scheme year and in accordance with regulatory requirements the Trustee Board was reviewed as all then current Trustees had completed 5 years in office and as such no longer satisfied the legal definition of “non-affiliated” without carrying out a further open and transparent appointment process. As such, Creative Auto Enrolment Ltd (CAE) as the Scheme Sponsor & Manager (and who have the power to appoint and remove Trustees in accordance with the Trust Deed and Rules of the Scheme) undertook a review of the Trustee Board (during the first quarter of 2020) utilising an open and transparent appointment process.

In order to ensure the appointment process was open and transparent, advertisements for Trustee applicants were placed through the Association of Professional Pension Trustees (APPT), and through Pensions Age (a widely read pensions publication with a national circulation base). A request was also made to the Pensions Regulator (and was provided) for access to its Independent Trustee Register.

Applications were received following the advertisements that were placed including applications from representatives of leading professional trustee firms (corporate trustees).

Following a review of the applicants’ CVs, a shortlist of four candidates was taken forward to the second stage of the ‘Trustee Selection, Recruitment and Removal of Trustees’ process. In addition to the four shortlisted candidates all of the incumbent Trustees also wished to be considered in the review process.

In selecting the four new applicants to take forward to the interview stage, consideration was also given to the individual and collective skill sets of the current Trustee Board.

Throughout the process, CAE was represented by two Main Board Directors of CAE (both of whom were also members of the Scheme Strategist). The current Chair of Trustees (Roger Mattingly) was also consulted during the review process and attended the Trustee interviews excluding where the candidate Trustee had expressed a sole interest to act as Chair.

Following the interview process a Scoring Matrix was prepared incorporating CAE's assessment of the applicants alongside the current Trustees. The Scoring Matrix covered areas such as:

- Pensions experience
- Investment experience (including ESG considerations)
- Master Trust experience (including the authorisation process)
- Experience of working with Scheme Sponsors
- Experience in a Chair role (where relevant)

In conjunction with the Scoring Matrix and having gone through the interview process, CAE's strong view was that any Trustee appointed to the Scheme would benefit enormously by having gone through the Master Trust Authorisation process in particular to understand the Pension Regulator's expectations around Systems and Processes, a Master Trust's Business Planning at Scheme level as well as assessing the strength of a Scheme Funder and the financial sustainability of both the Funder and the Scheme.

CAE also strongly believed that trustees who have had a wide range of experiences in the pensions field can bring this experience and wider knowledge to the table in supporting the Scheme and to ensure the members are best served.

Finally, CAE was particularly concerned about any loss of knowledge that would be experienced if there were changes to the Trustee Board so close to the Master Trust Authorisation process having been concluded. This is particularly an issue for CAE in that all of the Trustees' 5 year non-affiliated terms were due to end in April 2020. The wider Board of CAE also strongly believed that members are best served by the Trustees having a strong working relationship and understanding of the Scheme Funder and in particular with the actual workings of the Scheme's systems and processes as well as the Scheme Funders' financial sustainability. This allows the Trustee board to challenge and to understand more where areas of focus should be given. Without this working knowledge CAE believed that a Trustee Board would be temporarily weakened which would not be in the interest of either the Participating Employers or the Scheme members.

Following a detailed review of all matters and noting the very close scoring of both the new applicant Trustees and incumbent Trustees, CAE formed the strong view that the needs of the members continued to be best served by CAE retaining the services of the incumbent Trustee Board members, including retaining the incumbent Chair. That ensures that there is no loss or weakening of the knowledge of the Trustee Board as a whole. In reaching this conclusion CAE also considered the most recent Trustee Board Skills Matrix review which clearly highlighted that the composition of the incumbent Trustee Board and the combined knowledge and skill sets ensures that members best interests can continue to be served.

However, CAE also believed that the Trustee Board should be further strengthened, recognising the continued growth of the Scheme and the challenges that lie ahead in ensuring the Scheme continues to remain relevant, represents good value for money for members and continues to meet their needs. CAE also firmly believes in the importance of ESG related issues and considerations of how this can be integrated into the Scheme's investment strategy, so CAE believe the appointment of a further Trustee provides additional support in this very important area.

Having considered all of the above points an additional Trustee was appointed from the candidates seen as part of the formal review process, effective from the 1 September 2020, being BESTrustees Limited as represented by Rachel Brougham (as detailed previously in this statement). The appointment process followed final due diligence and a Trustee Fitness and Propriety review.

Following the appointment process, the three incumbent trustees were each re-appointed on 5 April 2020 until 4 April 2025.

6. Process for appointment of a non-affiliated trustee

Rachel Brougham was appointed as an additional non-affiliated trustee during the Scheme Year (as detailed above).

7. Arrangements to encourage representations from members

Due to the size, "online" and "auto enrolment compliance" nature, and demographics of the Scheme, members or their representatives are encouraged to make their views on matters relating to the Scheme known to the Trustees via the Scheme website which includes a "Get in touch" link to contact the Trustee Chair. Members were reminded of this when their Annual Benefit Statements were made available and via the annual Trustee member newsletter in August 2020. These arrangements were in place throughout the Scheme Year.

Since the end of March 2021 members have been provided with quarterly newsletters that replace the annual Trustee newsletter and contain relevant contact information for members to share their views on matters relating to the Scheme with the Trustees.

In order to encourage member engagement the Scheme Administrator issues guidance on how feedback can be given via an online questionnaire as part of their communication process when contacting Scheme members, and the feedback from the questionnaire (if and where received) is in turn fed back to the Trustees at the ordinary quarterly Trustees' meetings. Effective from May 2020 members are now also asked to provide feedback following interaction with the Scheme Administrator through their on-line Member Portal.

Signed on behalf of the Trustees

Roger Mattingly

Chair of Trustees

Date: 16 October 2021

Appendix A

Statement of Investment Principles

Creative Auto Enrolment Pension

creative pension trust

Contents

1. INTRODUCTION

This Statement of Investment Principles ("SIP") has been prepared by PAN Trustees UK LLP, Roger Mattingly, Robert Branagh and BESTrustees Limited ("the Trustees"), the Trustees of the Creative Pension Trust ("the Scheme") in consultation with Creative Auto Enrolment Ltd ("the Scheme Sponsor and Manager"). This SIP relates only to section 1 of the Scheme known as the Creative Auto Enrolment Pension ("CAEP"). This SIP is produced to meet the requirements of the Pensions Acts 1995 & 2004, the Occupational Pension Schemes (Investment) Regulations 2005 (as amended), the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and any and all other relevant legislation and regulations. The Trustees comply with the requirements to maintain and take advice on the SIP and with disclosure requirements whilst also taking account of The Pensions Regulator best practice guidance. The Scheme's assets are held in trust for the Scheme by the Trustees, whose powers of investment are set out in the Trust Deed and Rules and any subsequent amendments.

The Scheme is a Money Purchase, or Defined Contribution arrangement and this SIP sets out the Trustees' approach to investments available to members of the CAEP section of the Scheme within their Personal Retirement Account.

The Trustees have obtained written advice from Creative Benefit Solutions Limited ("the Investment Advisers") on the CAEP investment strategies and the production of this SIP.

2. INVESTMENT OBJECTIVES

The Trustees' key objectives are to enable members to build up a retirement fund to secure appropriate retirement benefits while being exposed to an acceptable level of investment risk.

In order to do that the Trustees have set up a default investment strategy as well as alternative self-select investment options.

The objective of the default investment strategy (the "Strategic Pensions Investment Approach") is to provide long term returns above wage inflation, as measured by the Average Weekly Earnings ("AWE") Index, after charges, with gradual automatic switching into lower risk investments over the 15 year period up to the Scheme Normal Retirement Age (NRA) or alternative member selected retirement age.

The objective of the alternative self-select options is to accommodate members who decide the Strategic Pensions Investment Approach is not appropriate for them. This can allow them to manage their pension investment at an alternative risk level and/or in line with religious or ethical considerations, with alternative levels of member engagement and targeting alternative retirement vesting outcomes while maintaining a simple-to-understand range of investment choices.

3. RISKS

The Trustees are required to assess the investment risks to the Scheme's assets, including measurement of those risks. In doing this the Trustees aim to take account of the members' circumstances. Specifically the Trustees have identified the following risks:

Members' Attitude to Risk

The Trustees have taken advice on the likely distribution of members' attitude to risk and selected a default investment strategy that is aimed to match the majority of expected members' attitude to risk. However, the Trustees have also made available alternative investment options to allow members to invest at alternative risk levels. Investment risk is primarily measured in terms of the volatility of the underlying investments.

Members' Term to Retirement

The Trustees are aware of the risk that market movements in the years prior to retirement might lead to a substantial reduction in the value of the funds that could otherwise have been built up. In setting the default Strategic Pensions Investment Approach the Trustees have included automatic investment risk reduction for members approaching Normal Retirement Age or alternative member selected retirement age.

In addition the Trustees have made available alternative investment options on a self-select basis with different risk levels.

Pension Conversion Risk

This is the risk that the funds in a member's Personal Retirement Account are not invested appropriately for the timing of when a member wants to take benefits from the Scheme or the method by which they want to take those benefits. The Trustees measure this risk by taking account of the experience within the Scheme as well as data available for the whole of the UK pension industry. The Trustees have designed the default Strategic Pensions Investment Approach to target full encashment at the Scheme member's Normal Retirement Date or alternative member selected retirement date, but have made alternative self-select options available to members to allow them to manage the timing and form of their retirement benefits in alternative ways.

Inflation Risk

Inflation reduces the purchasing power of an investment over time. The Trustees measure inflation in line with the increase in the Consumer Price Index ("CPI") and the AWE Index mentioned earlier whilst monitoring the returns of the Strategic Pensions Investment Approach and the alternative self-select investment options against these.

Investment Manager Risk

This is the risk that a given investment manager fails to meet the agreed mandate for the investment. The performance of the Investment Manager against their mandate is assessed by various performance measures including volatility, returns and investment style.

Liquidity Risk

The assets of the Scheme need to be available when required to pay benefits and there is a risk that some investments may not be realisable at the appropriate time. This is measured by how often the investment is valued and how quickly any investment can be sold (in part or in full).

Concentration Risk

This is the risk that adverse conditions affecting a particular market or asset might significantly influence the overall performance of the Scheme's investments, especially where there is a large exposure to a single asset or market. This is measured by the proportion of the Scheme's assets held in a particular asset or market with specific reference to each investment option.

Currency risk

This is the risk of investment loss because of movements in foreign exchange rates as a result of investment in assets held in currencies other than Sterling. This is measured by the proportion of the Scheme's assets held in non-Sterling currencies as well as the split of those overseas currency holdings that are not hedged back into Sterling and therefore are still exposed to currency risk.

Operational Risk

This is the risk of fraud, poor advice or acts of negligence. The Trustees assess this by various measures including experience, competency and financial strength of third party service providers, such as the Investment Manager.

4. SELECTING INVESTMENTS

The Trustees are responsible for defining and monitoring the overall investment strategy in conjunction with their Investment Adviser and in consultation with the Scheme Sponsor and Manager. However, the Trustees delegate day-to-day management of the assets to Scottish Widows Limited ("the Investment Manager").

The Trustees have set the default investment strategy and also alternative investment options that members can self-select. If a member does not make any investment selection they will be automatically invested in the default investment strategy until or unless they self-select an alternative option.

The Default Investment Strategy

The default investment strategy is the Strategic Pensions Investment Approach (see Appendix 1 for full details) and is designed to be appropriate for a typical member with a clearly defined retirement age and an "Average" attitude to risk.

The Trustees have defined that Average investors with more than 15 years to Normal Retirement Age, or alternative member selected retirement age: "Have an attitude to risk in the middle 50% of the investing population and are neither very risk averse nor inclined actively to seek riskier investments. They often have some experience and understanding of investments. They can usually make investment decisions without too much hesitation or anxiety. They may find more comfort in banks accounts and lower risk investments than stocks, shares and other higher risk investments, but understand that investment risk may be required to meet their investment goals.".

The Strategic Pensions Investment Approach has therefore been benchmarked against the ABI Pensions Mixed Investment (40-85% Shares) sector average during the "Growth Phase". The Growth Phase is the period up to 15 years from Normal Retirement Age (NRA) or alternative member selected retirement age (SRA). For members with less than 15 years to NRA/SRA the Strategic Pensions Investment Approach gradually reduces the level of investment risk so that at the NRA/SRA the member is 100% invested in the Cash fund. This approach is reviewed on an ongoing basis to ensure the final phase of de-risking remains appropriate for the membership and the experience of how members choose to take their benefits at retirement.

The Strategic Pensions Investment Approach may not be the most suitable option for members who retire before or after their NRA/SRA, or wish to draw their benefits using a method other than taking a full lump sum.

Alternative Investment Options

The Trustees are aware that the Strategic Pensions Investment Approach may not be appropriate for all members. The Trustees have therefore made alternative investment options available on a self-select basis. The alternative options have been limited to make it easy for members to assess the options and make a decision regarding their own investments that is appropriate to their personal circumstances while still allowing some choice and flexibility.

The Trustees have selected the alternative investment options based on their risk levels, the methods by which members may choose to take their benefits and religious and ethical considerations. A list of the alternative investment options and details of each of them is available in Appendix 1.

It is the Trustees' policy to provide suitable information for members so that they can make appropriate investment decisions. The range of investment options was selected by the Trustees after taking advice from the Trustees' Investment Adviser and after consideration of the follow points:

- A competitive and easy to understand charging structure for the Scheme
- A range of asset classes
- The need for diversification
- The suitability of each asset class for different members
- Operational Risk

The Trustees have sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced, authorised and regulated by the Financial Conduct Authority (where appropriate) and that suitable liability and compensation clauses are included in all contracts for professional services received. The Investment Manager is also assessed based on its independent financial strength ratings.

The Trustees monitor the performance of the investments and Investment Manager against pre-set benchmarks and the mandates for the underlying investments.

The Trustees' policy is to use pooled investment funds (i.e. investment in unitised collective investment funds) and not to hold any direct investments.

5. GOVERNANCE

The Trustees of the Scheme are responsible for the investment of the Scheme assets. The Trustees take some decisions themselves and delegate others. When deciding which decisions to take themselves and which to delegate, the Trustees have taken into account whether they have the appropriate training and advice in order to make an informed decision. The Trustees have established the following decision making structure:

Trustees

- Set the structures and processes for carrying out its role
- Select appropriate experts to provide advice as and when required
- Set the structure for the implementation of the investment strategy
- Select and monitor the planned asset allocation strategy
- Review the self-select fund range and default investment strategy on a regular basis
- Monitor the Investment Managers and investment Custodians
- Make ongoing decisions relevant to the operational principles of the Scheme's investment strategy

Investment Adviser

- Advises on all aspects of the investment of the Scheme's assets, including implementation
- Negotiation of fee terms and contractual terms
- Advises on this SIP
- Ensures that it delivers advice that is compliant with the requirements of the Financial Conduct Authority where required

Investment Managers & Custodians

- Operate within the terms of this SIP and their written contracts
- Selects individual investments with regard to their suitability

Scheme Administrator

- Administrative and operational liaison with the Investment Managers and Custodians
- Scheme secretarial and reporting liaison with the Investment Manager and Custodians

The Trustees expect the Investment Manager to manage the assets delegated to them under the terms of their contract and to give effect to the principles in this SIP so far as is reasonably practicable.

The Trustees accept that the assets are subject to the Investment Manager's and Custodian's own corporate governance policies. However, the Trustees expect the Investment Manager and Custodian to discharge their responsibilities by taking account of current best practice, which includes the UK Corporate Governance Code and the UK Stewardship Code. The Investment Manager's policies are monitored on a regular basis.

6. DAY-TO-DAY MANAGEMENT OF ASSETS

The Trustees have taken steps to ensure that the Investment Manager and Custodian have the appropriate experience and expertise for managing the Scheme's investments and they are carrying out their work competently.

The Investment Manager structure and investment objectives for each investment option ("mandates") are summarised in Appendix 1. The Trustees have delegated all day-to-day decisions about the investments that fall within each mandate, including the realisation of investments, to the Investment Manager through a written contract. When choosing investments, the Trustees and the Investment Manager (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). The Investment Manager's duties also include voting and corporate governance in relation to the Scheme's assets or delegation of those duties to selected sub fund managers.

The Investment Manager is remunerated on a percentage charge basis related to the amount of assets under management. The Trustees believe that this incentivises the Investment Manager to take a longer term approach to investment related considerations where the investment mandate allows them to do so and which allows them to act in the best interests of members and in line with the Trustees' investment strategy.

The Trustees will request details of the portfolio turnover costs for each of the investment mandates on an annual basis from the Investment Manager. Portfolio turnover costs are those that result from the buying and selling of assets within each investment option. The Trustees will monitor the portfolio turnover annually to ensure it remains within an acceptable range and expect to engage with the Investment Manager if it falls outside of that range. Portfolio turnover costs will also inform the Trustees' decisions on the retention and selection of the Investment Manager and each investment mandate.

The investment custodian is currently State Street Bank & Trust Company, which administers the assets for the Investment Manager.

The Trustees expect the Investment Manager to meet certain standards and the Trustees, with the assistance of their Investment Adviser, assess the performance of the Investment Manager against key performance indicators, including reporting requirements, on at least an annual basis.

The Trustees' contract with the Investment Manager is open ended with the aim of developing a long term partnership that provides the best member outcomes. However, if the Investment Manager fails to meet required standards in key areas during the year the Trustees, with the assistance of their Investment Adviser, will engage with the Investment Manager to seek to rectify any issues. If the Investment Manager is unable to rectify the identified issues within an agreed timescale the Trustees will perform a market review, which may result in the replacement of the Investment Manager, subject to contractual notice periods.

7. REALISATION OF ASSETS

The Trustees will realise assets as required following member requests on retirement or other circumstances defined in the Scheme rules. In selecting assets the Trustees consider the liquidity of the investments in the context of the likely needs of members.

8. ENVIRONMENTAL SOCIAL AND GOVERNANCE (ESG) INVESTMENT POLICY

The Trustees recognise that ESG considerations (including climate change) can have a material financial impact on the Scheme's investments. The Trustees have considered ESG issues with their Investment Adviser and will evaluate and manage these risks when reviewing the Scheme's investment strategy and in the selection and retention of their Investment Manager. The Trustees expect the Investment Manager to include ESG considerations, including climate change, in the selection and retention of sub funds within each investment mandate.

The Trustees have reviewed these risks by reference to an 'appropriate time horizon' for the Scheme's investments. The Trustees have defined this as the median average term to the Scheme's Normal Retirement Age for members.

The Trustees have a preference for passive index tracking underlying investment management utilising Pooled Funds.

This is underpinned by the Trustees' core belief that the primary driver of long term investment returns is asset allocation (as opposed to individual stock/investment selection), as well as the expectation that passive management reduces the risk of significant underperformance relative to the market being tracked and minimises investment expenses.

As such the Trustees believe that passive investment management for each underlying market sector provides better value for money for Scheme members.

While the Trustees generally favour passive underlying investment management, they do recognise that there are certain areas where passive management is not available, or appropriate.

The Trustees recognise that ESG indices are available as well as funds that specifically track those indices. However, the Trustees believe that currently it remains appropriate that the Scheme's funds, especially the default investment strategy, track whole market indices without ESG tilts or exclusions to manage risk adjusted returns for the benefit of members. The only exceptions are Scheme alternative self-select funds that are specifically aimed at members who wish to invest according to ethical or religious beliefs. Instead the Trustees seek to engage with the Investment Manager to influence the voting and engagement activities of the underlying sub fund managers in relation to ESG issues with the aim of improving risk adjusted return for members.

When selecting new Scheme funds available to members, the Trustees will consider the ESG policies adopted by the Investment Manager and underlying sub fund managers. The Trustees expect the Investment Manager to review the ESG and Stewardship policies of the underlying sub fund managers and report the results to the Trustees annually and take those issues into consideration in the selection and retention of the sub fund managers with the aim of improving the outcomes for members, especially in the longer term.

The Trustees also expect the Investment Manager to engage with the sub fund managers on relevant ESG issues to reduce risks and benefit from opportunities both in the shorter and longer term with regard to the expected investment time horizon for members.

The Trustees will aim to review this ESG policy on an annual basis and at least every three years. The Trustees will review compliance with the ESG policy on an annual basis and report this to members. In doing so the Trustees, with the assistance of their Investment Adviser, will consider not only the direct Investment Manager's funds, but also the managers of the sub funds.

Voting and stewardship

The Trustees expect the Investment Manager and their sub fund managers to adhere to the UK Stewardship Code and for the sub fund managers to be signatories to the Principles for Responsible Investment (PRI) Association. The Trustees will also consider how any sub fund managers exercise their rights (including voting rights) in relation to the underlying investments they hold in line with the UK Stewardship code.

The Trustees expect the Investment Manager's selection and retention criteria and engagement activities in relation to the sub fund managers to influence the sub fund managers in their voting and engagement activities with individual investee companies to improve risk adjusted returns for members, especially in the longer term.

In pursuit of these aims, the Trustees have communicated this policy to the Scheme's Investment Manager. The Trustees expect the Scheme's Investment Manager to check adherence to the UK Stewardship code in relation to the sub funds they use, as well as reviewing and collating information on the use of voting rights and engagement activities on at least an annual basis. The Trustees expect the sub fund managers to vote and engage on the capital structure of investee companies to reduce risks and improve risk adjusted return.

The Trustees, with the assistance of their Investment Adviser will provide a copy of this policy and any subsequent updates to the Scheme's Investment Manager with the aim of exerting influence as regards the above key issues in their interactions with the sub fund managers. Additional engagement may take the form of additional meetings and communications between the Investment Manager and the Trustees, although the Trustees may delegate this to their Investment Adviser on their behalf.

In their dealings with the Investment Manager, the Trustees and their Investment Adviser will disclose any actual or potential conflicts of interest. The Trustees expect the Investment Manager to disclose to the Trustees any actual or potential conflicts of interest in relation to their dealings with relevant sub fund managers and any actual or potential conflicts of interest arising for those sub fund managers. Where any potential or actual conflict of interest is identified the Trustees will invest the assets of the Scheme in the sole interest of the members and their beneficiaries.

The Trustees expect the Investment Manager and the relevant sub fund managers to monitor the capital structure of investee companies on behalf of the Trustees.

The Trustees will also consider non-financial factors in the selection and retention of the investment options available to members and have utilised the experience of their Investment Advisers in that respect. Whilst the Trustees expect that many members identify with some, if not all, ESG related issues, to date there has been limited feedback from members to this effect, with less than 2% of members completing the member survey conducted at the start of 2020.

The Trustees also recognise that for the majority of members, these are likely to be secondary to risk adjusted returns and investment charges, which was confirmed by the 2020 member survey results. However, the Trustees recognise that some members may prioritise ethical or religious concerns over risk adjusted returns and as such, following advice from their Investment Adviser, have made a number of suitable funds available (see Appendix 1 for further details).

The Trustees will continue to seek and review feedback from members in relation to investment issues, including non-financial factors.

9. MONITORING

The Trustees will monitor compliance with the SIP annually. In particular they will seek written confirmation from the Investment Manager that they have complied with this SIP as supplied to them and the Trustees undertake to advise the Investment Manager of any material change to the SIP.

The Trustees intend to review this SIP annually, but will do so at least every three years and immediately following any significant change in investment policy. The Trustees will take expert investment advice over any changes to the SIP.

The Trustees typically monitor the performance of each investment mandate against relevant benchmarks on a quarterly basis with the assistance of their Investment Adviser and normally conduct a full annual review of the overall investment strategy.

For and on behalf of the Trustee Board of the Creative Pension Trust

Roger Mattingly (Chair)

September 2020

APPENDIX 1

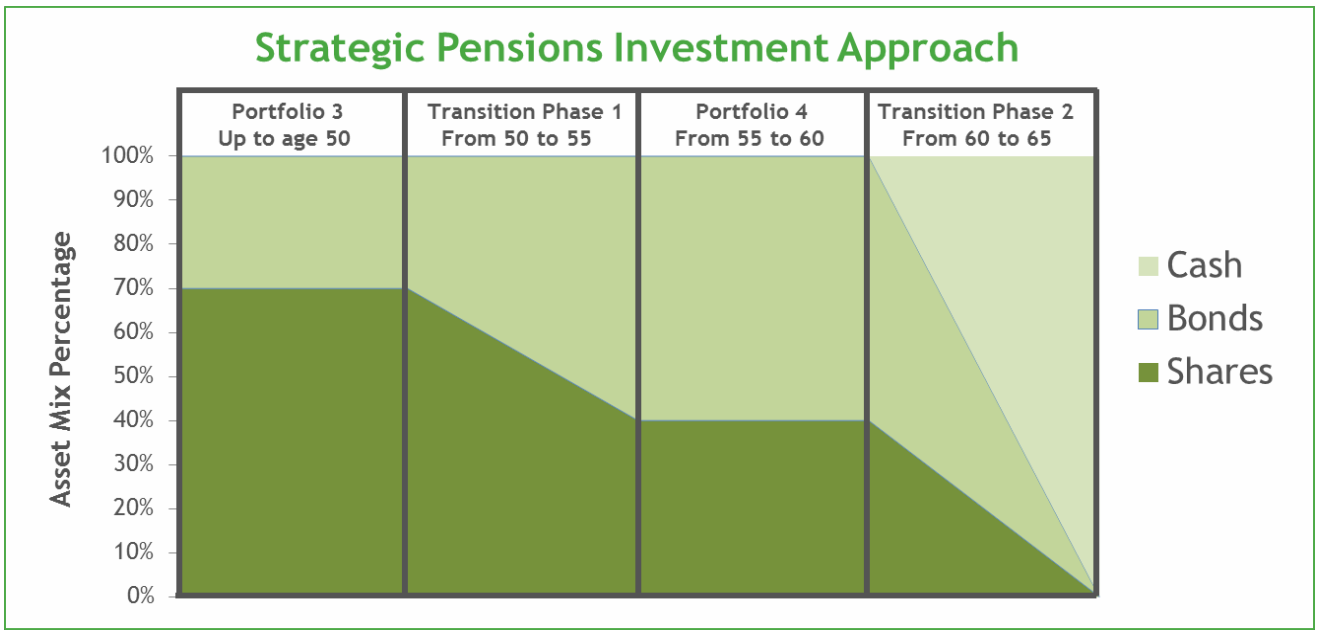
Strategic Pensions Investment Approach (Default)

The table below shows how the Strategic Pensions Investment Approach will be invested at key landmarks leading up to the member's Normal Retirement Age. The target split of investment between the different asset classes and actual percentage holdings within the Strategic Pensions Investment Approach may be changed over time to better suit market conditions and try to ensure the best possible overall outcome and balance of risk for members.

Highest Risk ← → Lowest Risk

	Target Split of Investments Used			
Term to NRA/SRA	Overseas Shares	UK Shares	Bonds	Cash
15 years +	47.4%	22.6%	30.0%	0.0%
10 years	28.4%	11.6%	60.0%	0.0%
5 years	28.4%	11.6%	60.0%	0.0%
At NRA/SRA	0.0%	0.0%	0.0%	100.0%

In order to achieve the above asset allocation the Scheme assets are invested in underlying funds managed by Scottish Widows Limited that are blended to provide the required investment split above. Currently the Strategic Pensions Investment Approach is invested as follows:



Please note that the above chart is based on a member retiring at the Scheme's Normal Retirement Age (NRA) of 65 but will be appropriately modified for members that select an alternative retirement age with the Scheme Administrator.

Pension Portfolio Three and Pension Portfolio Four are funds managed by Scottish Widows Limited but invest in a number of sub funds. More detail about these funds is included later in this document.

Self-Select Funds

The Scheme offers access to each of the individual funds within the Strategic Pensions Investment Approach plus the Scottish Widows Pension Protector Fund, SW HSBC Islamic Fund and SW L&G Ethical Global Equity Index Fund and details of each fund are given below.

Scottish Widows Pension Portfolio Three Fund	
Fund Aim	The Fund aims to deliver long-term growth by investing in other funds. The Fund invests primarily in equities, with a proportion in fixed interest securities, by investing in passive* index tracking funds. The equity investments cover a mix of geographic regions and can include the UK, other developed markets and emerging markets. The fixed interest securities can be in sterling or other currencies and may be issued by governments or companies. This Fund will be reviewed periodically by Scottish Widows. In future the Fund could be invested in different funds and additional asset types, though the Fund will continue to invest primarily in equities. *Passive management is where the fund manager aims to match a benchmark index and will buy, sell or hold investments depending on the components of that index.
Risk Level	Average
Sector	ABI Pensions Specialist
Launch Date	14 August 2015

Scottish Widows Pension Portfolio Four Fund	
Fund Aim	The Fund aims to deliver long-term growth by investing in other funds. The Fund invests with an emphasis on fixed interest securities, with the remainder in equities, by investing in passive* index tracking funds. The fixed interest securities can be in sterling or other currencies and may be issued by governments or companies. The equity investments cover a mix of geographic regions and can include the UK, other developed markets and emerging markets. This Fund will be reviewed periodically by Scottish Widows. In future the Fund could be invested in different funds and additional asset types, though the Fund will continue to invest with an emphasis on fixed interest securities. *Passive management is where the fund manager aims to match a benchmark index and will buy, sell or hold investments depending on the components of that index.
Risk Level	Moderately Cautious
Sector	ABI Pensions Specialist
Launch Date	14 August 2015

Scottish Widows Pension Protector Fund	
Fund Aim	The fund may be suitable for investors approaching retirement who intend to purchase a conventional pension annuity. The fund invests mainly in long-dated UK fixed interest securities. The prices of these are one of the key factors affecting the cost of buying a pension and so any investment in the fund should rise and fall broadly in line with changes in the cost of buying such a pension in retirement. The fund does not provide any guarantee of the level of pension in retirement or the cost of buying that pension. It may not be effective for those who intend to buy an inflation-linked pension and does not provide protection against changes in the cost of buying a pension that arise from changes in life expectancy.
Risk Level	Cautious
Sector	ABI Pensions Sterling Long Bonds
Launch Date	14 August 2015

Scottish Widows Cash Fund	
Fund Aim	The fund aims to provide long-term growth consistent with high levels of capital security by investing mainly in short-term securities.
Risk Level	Very Cautious
Sector	ABI Pensions Money Market
Launch Date	14 August 2015

SW HSBC Islamic Fund	
Fund Aim	The fund aims to offer investors the opportunity to grow their money in line with the performance of the Dow Jones Islamic Titans 100 Index. The fund invests in company shares from around the world and is compliant with Islamic Shariah principles.
Risk Level	Moderately Adventurous
Sector	ABI Pensions Unclassified
Launch Date	20 April 2020

SW L&G Ethical Global Equity Index Fund	
Fund Aim	The fund aims to track the total return of the FTSE4Good Global Equity Index to within +/- 0.5% per annum for two years in three.
Risk Level	Moderately Adventurous
Sector	ABI Pensions Unclassified
Launch Date	20 April 2020

Investment Management Structure

The Investment Manager is Scottish Widows Limited.

The Custodian is State Street Bank & Trust Company.

September 2020

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Creative Pension Trust is an occupational pension scheme governed by a group of Independent Trustees including PAN Trustees UK LLP. (Company No. OC333840) of The Annex, Oathall House, Oathall Road, Haywards Heath, West Sussex, England RH16 3EN.
The scheme is sponsored by Creative Auto Enrolment (Company No. 8554978), trading as Creative. Registered office: Cannon Place, 78 Cannon Street, London, EC4N 6AF.

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Appendix B

Statement of Investment Principles

Creative Workplace Pension | September 2020

creative pension trust

Contents

1. INTRODUCTION

This Statement of Investment Principles ("SIP") has been prepared by PAN Trustees UK LLP, Roger Mattingly, Robert Branagh and BESTrustees Limited ("the Trustees"), the Trustees of the Creative Pension Trust ("the Scheme") in consultation with Creative Auto Enrolment Ltd ("the Scheme Sponsor and Manager"). This SIP relates only to section 2 of the Scheme known as the Creative Workplace Pension ("CWP"). This SIP is produced to meet the requirements of the Pensions Acts 1995 & 2004, the Occupational Pension Schemes (Investment) Regulations 2005 (as amended), the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and any and all other relevant legislation and regulations. The Trustees also comply with the requirements to maintain and take advice on the SIP and with disclosure requirements whilst also taking account of The Pensions Regulator best practice guidance. The Scheme's assets are held in trust for the Scheme by the Trustees, whose powers of investment are set out in the Trust Deed and Rules and any subsequent amendments.

The Scheme is a Money Purchase, or Defined Contribution, arrangement and this SIP sets the Trustees' approach to investments available to members of the CWP section of the Scheme within their Personal Retirement Account.

The Trustees have obtained written advice from Creative Benefit Solutions Limited ("the Investment Adviser") on the CWP investment strategies and the production of this SIP.

2. INVESTMENT OBJECTIVES

The Trustees' key objectives are to enable members to build up a retirement fund to secure appropriate retirement benefits while being exposed to an acceptable level of investment risk.

In order to do that the Trustees have set up a default investment strategy as well as alternative self-select investment options.

The objective of the default investment strategy (the "Lifestyle Strategy Fund") is to provide long term returns above wage inflation, as measured by the Average Weekly Earnings ("AWE") Index, after charges, with gradual automatic switching into lower risk investments over the 15 year period up to the Scheme Normal Retirement Age (NRA) or alternative member selected retirement age.

The objective of the alternative self-select options is to accommodate members who decide the Lifestyle Strategy Fund is not appropriate for them. This can allow them to manage their pension investment at an alternative risk levels and/or in line with religious or ethical considerations, with alternative levels of member engagement and targeting alternative retirement vesting outcomes while maintaining a simple-to-understand range of investment choices.

3. RISKS

The Trustees are required to assess the investment risks to the Scheme's assets, including measurement of those risks. In doing this the Trustees aim to take account of the members' circumstances. Specifically the Trustees have identified the following risks:

Members' Attitude to Risk

The Trustees have taken advice on the likely distribution of members' attitude to risk and have selected a default investment strategy that is aimed to match the majority of expected members' attitude to risk. However, the Trustees have also made available alternative investment options to allow members to invest at alternative risk levels. Investment risk is primarily measured in terms of the volatility of the underlying investments.

Members' Term to Retirement

The Trustees are aware of the risk that market movements in the years prior to retirement might lead to a substantial reduction in the value of the funds that could otherwise have been built up. In setting the default Lifestyle Strategy Fund the Trustees have included automatic investment risk reduction for members approaching NRA or alternative member selected retirement age.

In addition the Trustees have made available alternative investment options on a self-select basis. These include a range of risk-rated, mixed asset funds that are expected to cater for members with a full range of investment risk appetites, plus a range of Target Date Fund (TDF) options for members seeking an investment that will include automatic gradual investment risk reduction through the lifetime of the investment that will also cater for members wishing to vest their benefits at ages other than their Scheme NRA, plus a range of other self-select investment options that members may find appropriate at different stages of their membership.

Pension Conversion Risk

This is the risk that the funds in a member's Personal Retirement Account are not invested appropriately for the timing of when a member wants to take benefits from the Scheme or the method by which they want to take those benefits. The Trustees measure this risk by taking account of the experience within the Scheme as well as data available for the whole of the UK pension industry. The Trustees have designed the default Lifestyle Strategy Fund to target full encashment at the Scheme member's Normal Retirement Date or alternative member selected retirement date, but have made alternative self-select options available to members to allow them to manage the timing and form of their retirement benefits in alternative ways.

Inflation Risk

Inflation reduces the purchasing power of an investment over time. The Trustees measure inflation in line with the increase in the Consumer Price Index ("CPI") and the AWE Index mentioned earlier whilst monitoring the returns of the Lifestyle Strategy Fund and the alternative self-select investment options against these.

Investment Manager Risk

This is the risk that a given investment manager fails to meet the agreed mandate for the investment. The performance of the Investment Manager against their mandate is assessed by various performance measures including volatility, returns and investment style.

Liquidity Risk

The assets of the Scheme need to be available when required to pay benefits and there is a risk that some investments may not be realisable at the appropriate time. This is measured by how often the investment is valued and how quickly any investment can be sold (in part or in full).

Concentration Risk

This is the risk that adverse conditions affecting a particular market or asset might significantly influence the overall performance of the Scheme's investments, especially where there is a large exposure to a single asset or market. This is measured by the proportion of the assets held in a particular asset or market with specific reference to each investment option.

Currency risk

This is the risk of investment loss because of movements in foreign exchange rates as a result of investment in assets held in currencies other than Sterling. This is measured by the proportion of the Scheme's assets held in non-Sterling currencies as well as the split of those overseas currency holdings that are not hedged back into Sterling and therefore are still exposed to currency risk.

Operational Risk

This is the risk of fraud, poor advice or acts of negligence. The Trustees assess this by various measures including experience, competency and financial strength of third party service providers, such as the Investment Manager.

4. SELECTING INVESTMENTS

The Trustees are responsible for defining and monitoring the overall investment strategy in conjunction with their Investment Adviser and in consultation with the Scheme Sponsor and Manager. However, the Trustees delegate day-to-day management of the assets to Mobius Life Limited ("the Investment Manager"), which is an authorised unit-linked UK life insurance company.

The Trustees have set the default investment strategy and also alternative investment options that members can self-select. If a member does not make any investment selection, they will be automatically invested in the default investment strategy until or unless they self-select an alternative option.

The Default Investment Strategy

The default investment strategy is the Lifestyle Strategy Fund (see Appendix 1 for full details) and is designed to be appropriate for a typical member with a clearly defined retirement age and an "Average" attitude to risk.

The Trustees have defined that Average investors with more than 15 years to Normal Retirement Age, or alternative member selected retirement age: "Have an attitude to risk in the middle 50% of the investing population and are neither very risk averse nor inclined actively to seek riskier investments. They often have some experience and understanding of investments. They can usually make investment decisions without too much hesitation or anxiety. They may find more comfort in bank accounts and lower risk investments than stocks, shares and other higher risk investments, but understand that investment risk may be required to meet their investment goals.".

The Lifestyle Strategy Fund has therefore been benchmarked against the ABI Pensions Mixed Investment (40-85% Shares) sector average during the "Growth Phase". The Growth Phase is the period up to 15 years from Normal Retirement Age (NRA) or alternative member selected retirement age (SRA). During the Growth Phase members will be invested 100% in the Creative Accumulation Fund. For members with less than 15 years to NRA/SRA the Lifestyle Strategy Fund gradually reduces the level of investment risk so that at NRA/SRA the member is 100% invested in the minimal risk Sterling Liquidity fund. This approach is reviewed on an ongoing basis to ensure the final phase of de-risking remains appropriate for the membership and the experience of how members choose to take their benefits at retirement.

The Lifestyle Strategy Fund may not be the most suitable option for members who retire before or after their NRA/SRA, or wish to draw their benefits using a method other than taking a full lump sum.

Alternative Investment Options

The Trustees are aware that the Lifestyle Strategy Fund may not be appropriate for all members. The Trustees have therefore made alternative investment options available on a self-select basis. The alternative options have been limited to make it easy for members to assess the options and make a decision regarding their own investments that is appropriate to their personal circumstances while still allowing choice and flexibility.

The Trustees have selected the alternative investment options based on their risk levels, the methods by which members may choose to take their benefits, religious and ethical considerations and the varying levels of involvement members may wish to have in selecting and managing their investment approach. A list of the alternative investment options and details of each of them is available in the Appendices.

It is the Trustees' policy to provide suitable information for members so that they can make appropriate investment decisions. The range of investment options was selected by the Trustees after taking advice from the Trustees' Investment Adviser and after consideration of the follow points:

- A competitive, value for money and easy to understand charging structure
- A range of asset classes and investment fund types
- The need for diversification
- The suitability of each asset class for different members
- Operational Risk

The Trustees have sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced, authorised and regulated by the Financial Conduct Authority (where appropriate) and that suitable liability and compensation clauses are included in all contracts for professional services received. The Investment Manager is also assessed based on its independent financial strength ratings.

The Trustees monitor the performance of the investments and Investment Manager against pre-set benchmarks and the mandates for the underlying investments.

The Trustees' policy is to use pooled investment funds (i.e. investment in unitised collective investment funds) and not to hold any direct investments.

5. GOVERNANCE

The Trustees of the Scheme are responsible for the investment of the Scheme assets. The Trustees take some decisions themselves and delegate others. When deciding which decisions to take themselves and which to delegate, the Trustees have taken into account whether they have the appropriate training and advice in order to make an informed decision. The Trustees have established the following decision making structure:

Trustees

- Set the structures and processes for carrying out its role
- Select appropriate experts to provide advice as and when required
- Set the structure for the implementation of the investment strategy
- Select and monitor the planned asset allocation strategy
- Review the self-select fund range and default investment strategy on a regular basis
- Monitor the Investment Manager(s) and investment Custodian(s) as relevant
- Make ongoing decisions relevant to the operational principles of the Scheme's investment strategy

Investment Adviser

- Advises on all aspects of the investment of the Scheme's assets, including implementation
- Negotiation of fee terms and contractual terms
- Advises on this SIP
- Ensures that it delivers advice that is compliant with the requirements of the Financial Conduct Authority where required

Investment Managers & Custodians

- Operate within the terms of this SIP and their written contracts
- Selects individual investments with regard to their suitability

Scheme Administrator

- Administrative and operational liaison with the Investment Managers and Custodians
- Scheme secretarial and reporting liaison with the Investment Managers and Custodians

The Trustees expect the Investment Manager to manage the assets delegated to them under the terms of their contract and to give effect to the principles in this SIP so far as is reasonably practicable.

The Trustees accept that the assets are subject to the Investment Manager's own corporate governance policies. However, the Trustees expect the Investment Manager to discharge their responsibilities by taking account of current best practice, which includes the UK Corporate Governance Code and the UK Stewardship Code. The Investment Manager's policies are monitored on a regular basis.

6. DAY-TO-DAY MANAGEMENT OF ASSETS

The Trustees have taken steps to ensure that the Investment Manager has the appropriate experience and expertise for managing the Scheme's investments and they are carrying out their work competently.

The Investment Manager structure and investment objectives for each investment option ("mandates") are summarised in the Appendices. The Trustees have delegated all day-to-day decisions about the investments that fall within each mandate, including the realisation of investments, to the Investment Manager through a written contract. When choosing investments, the Trustees and the Investment Manager (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). The Investment Manager's duties also include voting and corporate governance in relation to the Scheme's assets or delegation of those duties to selected sub fund managers.

The Investment Manager is remunerated on a percentage charge basis related to the amount of assets under management. The Trustees believe that this incentivises the Investment Manager to take a longer term approach to investment related considerations where the investment mandate allows them to do so and which allows them to act in the best interests of members and in line with the Trustees investment strategy.

The Trustees will request details of the portfolio turnover costs for each of the investment mandates on an annual basis from the Investment Manager. Portfolio turnover costs are those that result from the buying and selling of assets within each investment option. The Trustees will monitor the portfolio turnover annually to ensure it remains within an acceptable range and expect to engage with the Investment Manager if it falls outside of that range. Portfolio turnover costs will also inform the Trustees' decisions on the retention and selection of the Investment Manager and each investment mandate.

The CWP section Scheme assets are invested via a Trustee Investment Plan (TIP) insurance contract with the Investment Manager Mobius Life Limited. For the CWP assets the Investment Manager only invests in pooled collective sub funds and does not hold direct investments. As a result the Investment Manager has reinsurance agreements with the sub fund managers' insurance companies, which have their own Custodians (where appropriate), such that the Investment Manager does not require its own Custodian. The Trustees delegate the monitoring of the financial strength of those sub fund managers to the Investment Manager, which is performed at least annually.

The Trustees expect the Investment Manager to meet certain standards and the Trustees, with the assistance of their Investment Adviser, assess the performance of the Investment Manager against key performance indicators, including reporting requirements, on at least an annual basis.

The Trustees' contract with the Investment Manager is open ended with the aim of developing a long term partnership that provides the best member outcomes. However, if the Investment Manager fails to meet required standards in key areas during the year the Trustees, with the assistance of their Investment Adviser, will engage with the Investment Manager to seek to rectify any issues. If the Investment Manager is unable to rectify the identified issues within an agreed timescale the Trustees will perform a market review, which may result in the replacement of the Investment Manager, subject to contractual notice periods.

7. REALISATION OF ASSETS

The Trustees will realise assets as required following member requests on retirement or other circumstances defined in the Scheme rules. In selecting assets the Trustees consider the liquidity of the investments in the context of the likely needs of members.

8. ENVIRONMENTAL SOCIAL AND GOVERNANCE (ESG) INVESTMENT POLICY

The Trustees recognise that ESG considerations (including climate change) can have a material financial impact on the Scheme's investments. The Trustees have considered ESG issues with their Investment Adviser and will evaluate and manage these risks when reviewing the Scheme's investment strategy and in the selection and retention of their Investment Manager. The Trustees expect the Investment Manager to include ESG considerations, including climate change, in the selection and retention of sub funds within each investment mandate.

The Trustees have reviewed these risks by reference to an 'appropriate time horizon' for the Scheme's investments. The Trustees have defined as the median average term to the Scheme's Normal Retirement Age for members.

The Trustees have a preference for passive index tracking underlying investment management utilising Pooled Funds.

This is underpinned by the Trustees' core belief that the primary driver of long term investment returns is asset allocation (as opposed to individual stock/investment selection), as well as the expectation that passive management reduces the risk of significant underperformance relative to the market being tracked and minimises investment expenses.

As such the Trustees believe that passive investment management for each underlying market sector provides better value for money for Scheme members.

While the Trustees generally favour passive underlying investment management, they do recognise that there are certain areas where passive management is not available, or appropriate, for instance for absolute return funds.

The Trustees recognise that ESG indices are available as well as funds that specifically track those indices. However, the Trustees believe that currently it remains appropriate that the Scheme's funds, especially the default investment strategy, track whole market indices without ESG tilts or exclusions to manage risk adjusted returns for the benefit of members. The only exceptions are Scheme alternative self-select funds that are specifically aimed at members who wish to invest according to ethical or religious beliefs. Instead the Trustees seek to engage with the Investment Manager to influence the voting and engagement activities of the underlying sub fund managers in relation to ESG issues with the aim of improving risk adjusted return for members.

When selecting new Scheme funds available to members, the Trustees will consider the ESG policies adopted by the Investment Manager and underlying sub fund managers. The Trustees expect the Investment Manager to review the ESG and Stewardship policies of the underlying sub fund managers and report the results to the Trustees annually and take those issues into consideration in the selection and retention of the sub fund managers with the aim of improving the outcomes for members, especially in the longer term.

The Trustees also expect the Investment Manager to engage with the sub fund managers on relevant ESG issues to reduce risks and benefit from opportunities both in the shorter and longer term with regard to the expected investment time horizon for members.

The Trustees will aim to review this ESG policy on an annual basis and at least every three years. The Trustees will review compliance with the ESG policy on an annual basis and report this to members. In doing so the Trustees, with the assistance of their Investment Adviser, will consider not only the direct Investment Manager's funds, but also the managers of the sub funds.

Voting and stewardship

The Trustees expect the Investment Manager and their sub fund managers to adhere to the UK Stewardship Code and for the sub fund managers to be signatories to the Principles for Responsible Investment (PRI) Association. The Trustees will also consider how any sub fund managers exercise their rights (including voting rights) in relation to the underlying investments they hold in line with the UK Stewardship code.

The Trustees expect the Investment Manager's selection and retention criteria and engagement activities in relation to the sub fund managers to influence the sub fund managers in their voting and engagement activities with individual investee companies to improve risk adjusted returns for members, especially in the longer term.

In pursuit of these aims, the Trustees have communicated this policy to the Scheme's Investment Manager. The Trustees expect the Scheme's Investment Manager to check adherence to the UK Stewardship code in relation to the sub funds they use, as well as reviewing and collating information on the use of voting rights and engagement activities on at least an annual basis. The Trustees expect the sub fund managers to vote and engage on the capital structure of investee companies to reduce risks and improve risk adjusted return.

The Trustees, with the assistance of their Investment Adviser will provide a copy of this policy and any subsequent updates to the Scheme's Investment Manager with the aim of exerting influence as regards the above key issues in their interactions with the sub fund managers. Additional engagement may take the form of additional meetings and communications between the Investment Manager and the Trustees, although the Trustees may delegate this to their Investment Adviser on their behalf.

In their dealings with the Investment Manager, the Trustees and their Investment Adviser will disclose any actual or potential conflicts of interest. The Trustees expect the Investment Manager to disclose to the Trustees any actual or potential conflicts of interest in relation to their dealings with relevant sub fund managers and any actual or potential conflicts of interest arising for those sub fund managers. Where any potential or actual conflict of interest is identified the Trustees will invest the assets of the Scheme in the sole interest of the members and their beneficiaries.

The Trustees expect the Investment Manager and the relevant sub fund managers to monitor the capital structure of investee companies on behalf of the Trustees.

The Trustees will also consider non-financial factors in the selection and retention of the investment options available to members and have utilised the experience of their Investment Adviser in that respect. Whilst the Trustees expect that many members identify with some, if not all, ESG related issues, to date there has been no significant feedback from members to this effect, with less than 2% of members completing the member survey conducted at the start of 2020.

The Trustees also recognise that for the majority of members, these are likely to be secondary to risk adjusted returns and investment charges, which was confirmed by the 2020 member survey results. However, the Trustees recognise that some members may prioritise ethical or religious concerns over risk adjusted returns and as such following advice from their Investment Adviser, have made a number of suitable funds available (see Appendix 4 for further details).

The Trustees will continue to seek and review feedback from members in relation to investment issues, including non-financial factors.

9. MONITORING

The Trustees will monitor compliance with this SIP annually. In particular they will seek written confirmation from the Investment Manager that they have complied with this SIP as supplied to them and the Trustees undertake to advise the Investment Manager of any material change to the SIP.

The Trustees intend to review this SIP annually, but will do so at least every three years and immediately following any significant change in investment policy. The Trustees will take expert investment advice over any changes to this SIP.

The Trustees typically monitor the performance of each investment mandate against relevant benchmarks on a quarterly basis with the assistance of their Investment Adviser and normally conduct a full annual review of the overall investment strategy.

For and on behalf of the Trustee Board of the Creative Pension Trust

Roger Mattingly (Chair)

September 2020

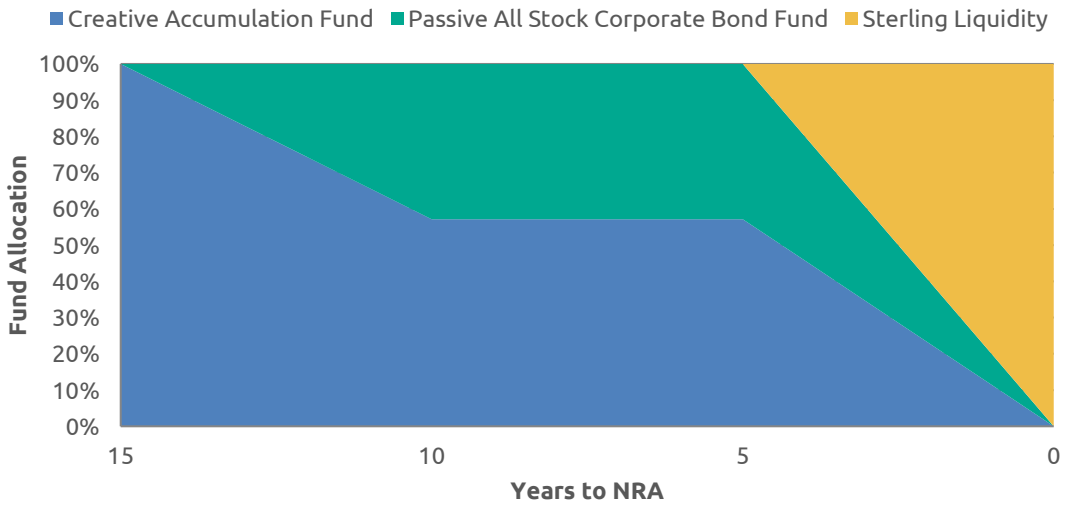
APPENDIX 1 - Lifestyle Strategy Fund (Default)

table below shows how the Lifestyle Strategy Fund will be invested at key landmarks leading up to the member's Normal Retirement Age. The target split of investment between the different asset classes and actual percentage holdings within the Lifestyle Strategy Fund may be changed over time to better suit market conditions and try to ensure the best possible overall outcome and balance of risk for members.

Highest Risk ← → Lowest Risk

	Target Split of Investments Used			
Term to NRA/SRA	Overseas Shares	UK Shares	Bonds	Cash
15 years +	52.5%	17.5%	30.0%	0.0%
10 years	28.0%	12.0%	60.0%	0.0%
5 years	28.0%	12.0%	60.0%	0.0%
At NRA/SRA	0.0%	0.0%	0.0%	100.0%

In order to achieve the above asset allocation the Lifestyle Strategy Fund assets are invested in underlying funds managed by Mobius Life Limited that are blended to provide the required investment split as follows:



Please note that the above chart is based on a member retiring at the Scheme's Normal Retirement Age (NRA) of 65, but will be appropriately modified for members that select an alternative retirement age with the Scheme Administrator.

The Creative Accumulation Fund currently invests in a number of sub funds as follows:

Fund	Target Allocation	Control Range
SSgA* UK Equity Index	17.50%	+/- 2.0%
SSgA* International Equity Index	52.50%	+/- 2.0%
SSgA* Sterling Non-Gilts Bond All Stocks Index	20.00%	+/- 2.0%
SSgA* UK Index Linked Gilts Over 5 Years Index	10.00%	+/- 2.0%

*State Street Global Advisors.

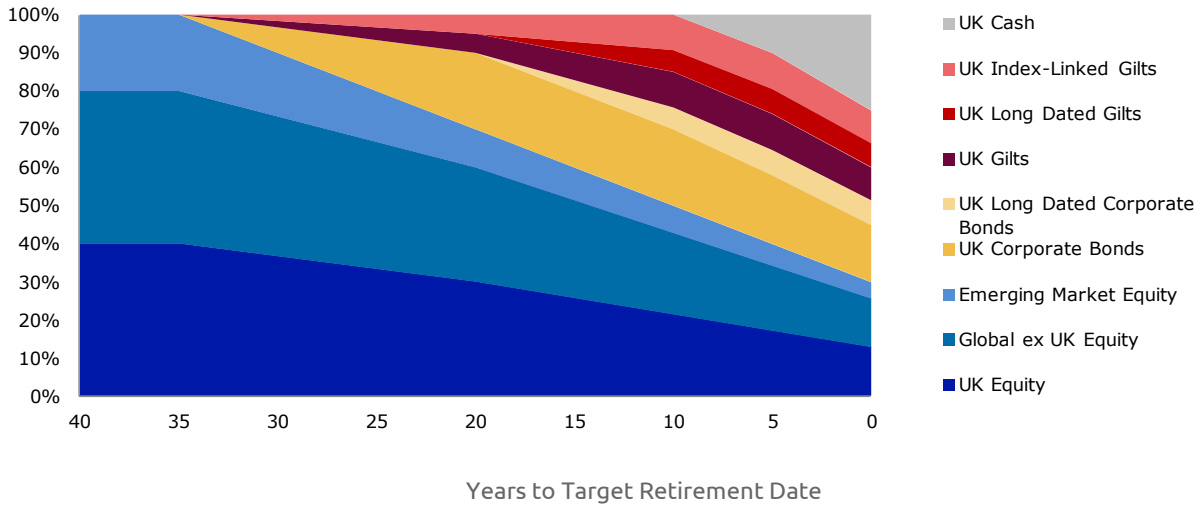
September 2020

APPENDIX 2 – RETIREMENT AGE FUND

Each version of the Retirement Age Fund will have a target retirement date at intervals of 5 years commencing from 2020.

The Funds aim to achieve real investment growth for a member expecting to retire around the target year. Throughout a member's investment journey the Funds will shift towards a more capital preservation focus as the target retirement date is reached. The Funds follow a glide path that sets the asset allocation between growth and protection assets, dynamically managed by Mobius Life. The Funds have been designed to allow for continued investment growth for members who are considering managing their investments for post retirement income. The Funds will transfer into the Retirement Ready Fund on 1st April following the target retirement year.

The glidepath of the Retirement Age Funds is shown in the chart below.



September 2020

APPENDIX 3 – RISK RATED FUNDS

These funds are designed to provide an overall investment solution for a specified risk level, although they can be used in conjunction with other CWP funds. The target asset allocations and sub funds for each fund provided below may be subject to change from time to time at the discretion of the Investment Manager Mobius Life Limited.

General Asset Allocations:

Asset Class / Fund	Pre-Retirement	Conservative	Retirement Builder	Diversified Beta	Equity Accumulation
UK Equity	2.5%	16.25%	30%	30%	40%
Global ex UK Equity	2.5%	16.25%	30%	30%	40%
Emerging Market Equity				10%	20%
UK Corporate Bonds	22.5%	22.5%	22.5%	22.5%	
UK Long Dated Corporate Bonds	22.5%	11.25%			
UK Gilts	17.5%	13.125%	8.75%	3.755%	
UK Long Dated Gilts	17.5%	8.75%			
UK Index-Linked Gilts	15%	11.875%	8.75%	3.75%	
Total	100%	100%	100%	100%	100%

Fund Summaries:

Pre-Retirement Fund	
Fund Aim	The Fund aims to provide long-term investment return through a diversified allocation to a range of asset classes. This Fund aims to outperform its inflation target over the business cycle. The Fund invests in a range of passive funds based on a strategic asset allocation designed to provide superior risk adjusted returns over time. The Fund benefits from an Active Asset Allocation in order to target a higher risk adjusted return over the business cycle.
Risk Level	Cautious
Inflation Target	Retail Price Index (RPI) plus 1% over a business cycle.
Launch Date	01/08/2011
Sub funds	Legal & General AAA-AA-A Over 15 Year Corporate Bond Index Fund Legal & General AAA-AA-A All Stock Corporate Bond Index Fund Legal & General Over 15 Year Gilt Index Fund ML Passive Over Five-year Index-Linked Gilt Fund ML Passive All Stock Fixed Interest Gilt Fund ML Passive Global Ex-UK Equity Fund Legal & General UK Equity Index Fund

Conservative Fund	
Fund Aim	The Fund aims to provide long-term investment return through a diversified allocation to a range of asset classes. This Fund aims to outperform its inflation target over the business cycle. The Fund invests in a range of passive funds based on a strategic asset allocation designed to provide superior risk adjusted returns over time. The Fund benefits from an Active Asset Allocation in order to target a higher risk adjusted return over the business cycle.
Risk Level	Moderately Cautious
Inflation Target	Retails Price Index (RPI) plus 2% over a business cycle.
Launch Date	01/03/2018
Sub funds	Pre-Retirement Fund Retirement Builder Fund

Retirement Builder Fund	
Fund Aim	The Fund aims to provide long-term investment return through a diversified allocation to a range of asset classes. This Fund aims to outperform its inflation target over the business cycle. The Fund invests in a range of passive funds based on a strategic asset allocation designed to provide superior risk adjusted returns over time. The Fund benefits from an Active Asset Allocation in order to target a higher risk adjusted return over the business cycle.
Risk Level	Average
Inflation Target	Retail Price Index (RPI) plus 3% over a business cycle.
Launch Date	01/08/2011
Sub funds	ML Passive Global Ex-UK Equity Fund Legal & General UK Equity Index Fund Legal & General AAA-AA-A All Stock Corporate Bond Index Fund ML Passive Over Five-year Index-Linked Gilt Fund ML Passive All Stock Fixed Interest Gilt Fund

Diversified Beta Fund	
Fund Aim	The Fund aims to provide long-term investment return through a diversified allocation to a range of asset classes. This Fund aims to outperform its inflation target over the business cycle. The Fund invests in a range of passive funds based on a strategic asset allocation designed to provide superior risk adjusted returns over time. The Fund benefits from an Active Asset Allocation in order to target a higher risk adjusted return over the business cycle.
Risk Level	Moderately Adventurous
Inflation Target	Retail Price Index (RPI) plus 4% over a business cycle.
Launch Date	01/10/2011
Sub funds	Legal & General UK Equity Index Fund Legal & General AAA-AA-A All Stock Corporate Bond Index Fund BlackRock Aquila Connect Emerging Markets Index Fund Legal & General North America Equity Index Fund Passive Continental European Equity Fund Legal & General Japan Equity Index Fund ML Passive Pacific Basin Ex-Japan Equity Fund ML Passive Over Five-year Index-Linked Gilt Fund ML Passive All Stock Fixed Interest Gilt Fund

Equity Accumulation Fund	
Fund Aim	The Fund aims to provide long-term capital growth through investment allocation to the Global equity market. The equity market exposure aims to be split 40% UK equities, 40% Overseas equities and 20% Emerging Market equities. This Fund employs a 'fund of funds' approach blending passive funds, aiming to outperform the specific equity market exposure on a consistent three-year rolling basis. The Fund benefits from an Active Asset Allocation in order to target a higher risk adjusted return.
Risk Level	Adventurous
Launch Date	01/08/2015
Sub funds	Legal & General UK Equity Index Fund BlackRock Aquila Connect Emerging Markets Index Fund Legal & General North America Equity Index Fund Legal & General Europe ex UK Equity Index Fund Legal & General Japan Equity Index Fund Legal & General Asia Pacific Ex Japan Equity Index Fund

Retirement Ready Fund	
Fund Aim	The Fund aims to achieve real investment growth for a member who has reached target retirement age and is determining retirement income options. The Fund has been designed to allow for continued investment growth post retirement for members who are considering managing their investments for post retirement income.
Risk Level	Moderately Cautious
Launch Date	01/09/2015
Sub funds	Legal & General UK Equity Index Fund Legal & General AAA-AA-A All Stock Corporate Bond Index Fund BlackRock Aquila Connect Emerging Markets Index Fund Legal & General North America Equity Index Fund Passive Continental European Equity Fund Legal & General Japan Equity Index Fund ML Passive Pacific Basin Ex-Japan Equity Fund ML Passive Over Five-year Index-Linked Gilt Fund ML Passive All Stock Fixed Interest Gilt Fund ML Sterling Liquidity

September 2020

APPENDIX 4 – SPECIALIST INDIVIDUAL FUNDS

Cash **- Sterling Liquidity Fund**	
Fund Aim	The Fund aims to provide a return through an allocation to the short term UK money market. The Fund aims to outperform the short term UK money market on a consistent three-year rolling basis.
Risk Level	Very Cautious
Launch Date	01/07/1997

Fixed Interest **- All Stock UK Corporate Bond Fund**	
Fund Aim	The Fund aims to provide long-term investment return through an allocation predominately to the UK Corporate Bond market. This Fund employs a 'fund of funds' approach blending complementary active funds, aiming to outperform the UK Corporate Bond market on a consistent three-year rolling basis.
Risk Level	Moderately cautious
Launch Date	01/07/2003

Absolute Return – **DGF Solutions Fund**	
Fund Aim	The Fund provides exposure to a combination of Diversified Growth Funds. Mobius Life look to combine complimentary funds that are unique in strategy and implementation. The Fund aims to provide a return profile that is consistent with the Diversified Growth Fund universe average.
Risk Level	Moderately cautious
Launch Date	01/10/2012

Property – **Passive Global Real Estate Equity Index Fund**	
Fund Aim	The Fund aims to provide long-term capital growth through investment allocation to globally listed property securities.
Risk Level	Adventurous
Launch Date	01/03/2018

UK Equity – **Passive UK Equity Fund**	
Fund Aim	This Fund aims to provide long-term capital growth through investment allocation to the UK equity market. This Fund will invest using a passive management strategy, aiming to perform in line with the UK equity market on a consistent three-year rolling basis
Risk Level	Adventurous
Launch Date	01/07/1997

Global Equity – **Passive Global Ex-UK Equity GBP Hedged Fund**	
Fund Aim	The Fund aims to provide long-term capital growth through investment allocation to global ex UK equities, with currency hedged to sterling.
Risk Level	Adventurous
Launch Date	01/03/2018

Emerging Markets – **Passive Emerging Market Equity Fund**	
Fund Aim	The Fund aims to provide long-term capital growth through investment allocation to emerging market equities.
Risk Level	Adventurous
Launch Date	01/03/2018

Ethical (Equity) Fund – **Passive Ethical Equity Fund**	
Fund Aim	The Fund aims to provide long-term capital growth through investment allocation to global equity securities that are compliant with ethical principles.
Risk Level	Adventurous
Launch Date	01/03/2018

Shariah Fund – **Shariah Fund**	
Fund Aim	The Fund aims to provide long-term capital growth through investment allocation to global equity securities that are compliant with Islamic Shariah principles.
Risk Level	Adventurous
Launch Date	01/03/2018

September 2020

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Creative Pension Trust is an occupational pension scheme governed by a group of Independent Trustees including PAN Trustees UK LLP. (Company No. OC333840) of The Annex, Oathall House, Oathall Road, Haywards Heath, West Sussex, England RH16 3EN.
The scheme is sponsored by Creative Auto Enrolment (Company No. 8554978), trading as Creative. Registered office: Cannon Place, 78 Cannon Street, London, EC4N 6AF.

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