

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 1996 (as amended) (the “Administration Regulations”). It describes how the Trustees have met the statutory governance standards in relation to: -

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

between 1st April 2023 and 31st March 2024, the 2023/24 scheme year (the “Scheme Year”).

The Scheme has two sections: the founding section - Creative Auto Enrolment Pension (“CAEP”) and 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 were provided with a more limited range of investment options up to October 2023. CWP was set up for larger employers who, at the time of entry into the Scheme, were 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 were provided with a wider range of investment options up to April 2024.

Net Zero Carbon Commitment & Climate Change Reporting Requirements - On 27 October 2022 the Trustees published the Scheme’s first annual Climate Change Report, following commitments made on 4 August 2021 to achieve net zero carbon emissions by 2050 (ZeroByFifty) and a 50% reduction in carbon emissions by 2030 (FiftyByThirty) for all member investments. The Climate Change Report 2022 reconfirmed the Trustees’ and Scheme Sponsor & Manager’s carbon reduction commitments, as well as the Scheme’s management of climate change risks and opportunities (broadly based on the recommendations of the Task Force on Climate-related Financial Disclosures’ (TCFD)). The Scheme’s most recent Climate Change Report for the Scheme Year can be found on the Scheme website:

<https://www.creativebenefits.co.uk/creative-pension-trust/about/#climate-change>.

Investment Adviser – Lane Clark & Peacock LLP (“LCP”) is the Trustees’ appointed Investment Adviser.

Scheme administrator – The Trustees’ appointed third-party administrator HS Pensions Limited was acquired by Link Pension Administration Limited prior to the Scheme Year and, as a result, changed its name to Link Pension Administration (HS) Limited with effect from 1 July 2023. Link Pension Administration (HS) Limited was then acquired by Mitsubishi UFJ Trust & Banking Corporation on 16 May 2024. As a result, Link Pension Administration (HS) Limited changed its

trading name to MUFG Retirement Solutions in respect of the services provided for the Scheme. The contractual administration services provided to the Trustees for Scheme members remain unchanged.

1. Default arrangements

The Cushon Core default investment strategy (the “Main Default Arrangement”) is the Scheme’s current primary default arrangement for the purposes of the Administration Regulations. The Main Default Arrangement is the default arrangement for both CAEP and CWP.

The following Cushon Target Age Funds are also default arrangements for the purposes of the Administration Regulations: -

- Cushon Retirement Ready Fund
- Cushon 2025 Target Age Fund
- Cushon 2030 Target Age Fund
- Cushon 2035 Target Age Fund
- Cushon 2040 Target Age Fund
- Cushon 2045 Target Age Fund
- Cushon 2050 Target Age Fund
- Cushon 2055 Target Age Fund
- Cushon 2060 Target Age Fund
- Cushon 2065 Target Age Fund
- Cushon 2070 Target Age Fund

(the “Alternative Default Arrangements”). These funds are not available to new members who are not currently invested in them.

The Main Default Arrangement and Alternative Default Arrangements are together “the Default Arrangements” for the Scheme.

At a high level, the changes that occurred during, and following, the Scheme Year were as follows: -

- on and from 6 October 2023, the default arrangement for CAEP changed from the Strategic Pensions Investment Approach to the Cushon Core default investment strategy, and all existing member assets invested in the Strategic Pensions Investment Approach were transferred to the Cushon Core default investment strategy;
- on and from 18 April 2024, the default arrangement for CWP changed from the Lifestyle Strategy Fund to the Cushon Core default investment strategy and all existing member assets invested in the Lifestyle Strategy Fund were transferred to the Cushon Core default investment strategy;
- on and from 18 April 2024, CWP members invested in the self-select ML Retirement Age funds, including the ML Retirement Ready fund, were transferred into equivalent vintage Cushon Target Age Funds, with those funds becoming default arrangements as a result of the transfer (although this was after the end of the Scheme Year).

Further details about these changes to the Scheme’s default arrangements are set out below.



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 (as amended). 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' policy on illiquid assets;
- the Trustees' approach to voting and stewardship; and
- how the 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 last reviewed and updated in April 2024, to coincide with completion of the above mentioned changes to the CWP investment strategy, which followed those completed for the CAEP section in October 2023. Both SIPs incorporate the Trustees' policy on ESG-related issues. Following the review and the changes to the investment strategy for CAEP completed in October 2023 and for CWP completed in April 2024, no immediate 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

At the beginning of the Scheme Year, the Cushon Investment Office issued proposals to the Trustees, setting out a significant change to investment strategy for CAEP.

The proposals were to transition from the existing default arrangement to the Cushon Core default investment strategy and implement a new self-select range of Cushon funds, with assets transferring from the Scottish Widows Limited platform to the Mobius Life Limited platform. The objectives of the proposals included the following: -

- To change the asset allocation of the default arrangement to improve expected outcome for the majority of members by increasing exposure to higher growth assets (listed equities) with a higher risk profile and higher expected return both in the growth phase and de-risking phase.
- To change the lifestyling target to a flexible benefit outcome from a target encashment outcome given the maturity of CAEP and expected longer term retirement benefit vesting pattern of the majority of members.
- To reduce the lifestyling de-risking period from 15 years to 7 years to prolong the growth phase and increase the expected returns up to retirement.
- To improve management of climate change and other environmental, social and governance ("ESG") risks and opportunities via allocation to new underlying investments that include greater ESG factoring including climate change.

To assist with the review of the CAEP proposals, a report was prepared by the Trustees' appointed Investment Adviser on 5 May 2023, using information provided by the Scheme



administrator and the Cushon Investment Office. The advice report was prepared to provide the Trustees with the relevant information, guidance and recommendations concerning the proposed changes to investment strategy and included consideration of the following aspects: -

- Analysis of both the then current and proposed default arrangement and self-select fund range including modelling of projected member pots at retirement for a range of potential members;
- Consideration of the variety of ways that members may draw their benefits in retirement from the Scheme;
- Analysis of ESG and climate integration of the proposed new default arrangement and self-select investment options.

Having reviewed the proposals fully as well as the advice received from the Trustees' Investment Adviser and following an extraordinary meeting on 9 May 2023 the Trustees accepted the proposals, subject to confirmation of the transition management approach and legal advice regarding existing members invested in the self-select SW HSBC Islamic fund. Legal advice regarding the approach for existing members invested in the self-select SW HSBC Islamic fund was received in May 2023 and the transition management approach was confirmed in August 2023. The Trustees' acceptance of the proposals was made with the expectation that the proposed new default arrangement is likely to lead to better outcomes for the significant majority of members and that the proposed new self-select fund range offers members a wider choice including funds with additional ESG credentials.

The transition to the new investment strategies was completed on 13 October 2023 following the successful transfer of all CAEP assets from Scottish Widows Limited to Mobius Life Limited. The trade date for the disinvestment of the assets held with Scottish Widows Limited was 6 October 2023 but due to the dealing cycles of the relevant funds the transfer of assets from Scottish Widows Limited to Mobius Life Limited was not completed until 13 October 2023. In particular, the changes to the CAEP default arrangement described at the start of this section were implemented. The CAEP SIP was updated in October 2023 to reflect the changes to the investment strategies as a result of that, as well as capturing changes in response to the latest Department for Work and Pensions ("DWP") guidance at that time. A post-asset transfer audit exercise was carried out by the Scheme auditor supported by the Scheme administrator and Mobius Life Limited, which identified no exceptions or material issues with the management and implementation of the asset transfer.

In addition to the review of the investment strategy described above, the Trustees reviewed the investment performance of the funds that make up the CAEP default arrangement at quarterly Trustees' meetings during the Scheme Year. At each of those 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 investment platform provider, the Scheme administrator and other sources. 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 changes were made as a result of these more regular reviews.

CWP

In October 2023 the Cushon Investment Office issued proposals to the Trustees, setting out a significant change to investment strategy for CWP.

The objectives of the proposals included the following: -

- To change the asset allocation of the default arrangement to improve expected outcome for the majority of members by increasing exposure to higher growth assets (listed



equities) with a higher risk profile and higher expected return both in the growth phase and de-risking phase.

- To change the lifestyling target to a flexible benefit outcome from a target encashment outcome given the maturity of CAEP and expected longer term retirement benefit vesting pattern of the majority of members.
- To reduce the lifestyling de-risking period from 15 years to 7 years to prolong the growth phase and increase the expected returns up to retirement.
- To improve management of climate change and other environmental, social and governance (“ESG”) risks and opportunities via allocation to new underlying investments that include greater ESG factoring including climate change.
- To introduce the Alternative Default Arrangements to replace the existing ML Retirement Age funds, including the ML Retirement Ready fund, for existing members invested in those funds with the same above objectives but with the inclusion of a target allocation to private markets assets to improve the expected outcomes for those members but with a higher investment management cost.

To assist with the review of the CWP investment proposal from the Cushon Investment Office a further advice report was prepared by the Trustees’ appointed Investment Adviser on 28 November 2023, following on from the advice paper on the CAEP proposals dated 5 May 2023. This used information provided by the Scheme administrator and the Cushon Investment Office. The advice report was prepared to provide the Trustees with the relevant information, guidance and recommendations concerning the proposed change to investment strategy and included consideration of the following aspects: -

- Analysis of both the then current and proposed default arrangements and self-select fund range including modelling of projected member pots at retirement for a range of potential members;
- Consideration of the variety of ways that members may draw their benefits in retirement from the Scheme;
- Analysis of ESG and climate integration of the proposed new Default Arrangements and self-select investment options.

Having reviewed the proposals fully as well as the advice received from the Trustees’ Investment Adviser at the Trustees’ meeting on 5 December 2023, with further guidance provided by the Trustees’ Investment Adviser and Mobius Life Limited as the investment platform provider at the Trustees’ meeting on 12 February 2024 and an extraordinary meeting on 15 March 2024, the Trustees accepted the proposals, subject to a full review of the implementation documentation subsequently completed by the Trustees’ legal adviser and Investment Adviser. The Trustees’ acceptance of the proposals was made with the expectation that the proposed new default arrangements will likely lead to better outcomes for the significant majority of members and that the proposed new self-select fund range offers members a better choice including funds with additional ESG credentials.

The changes noted at the start of this section were implemented following the end of the Scheme Year.

In addition to the review of the investment strategy described above, the Trustees reviewed the investment performance of the funds that make up the CWP default arrangement at quarterly Trustees’ meetings during the Scheme Year. At each of those 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 investment platform provider, the Scheme administrator and other sources. 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 changes were made as a result of these more regular reviews.



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 had the following processes in place to ensure that “core financial transactions” were processed promptly and accurately. The contract terms in place with Link Pension Administration (HS) Limited (formerly HS Pensions Limited) as the Scheme administrator during the Scheme Year include Service Level Agreements (“SLAs”) outlining the expected timeframes for processing and investment of member contributions and instructions to switch investments, as well as payment of members’ benefits. These SLAs include the processing of transfers into and out of the Scheme, the switching of investment funds as directed by members, and the settlement of death benefits and retirement claims.

The Trustees monitored compliance with the SLAs during the Scheme Year in several ways. The Scheme administrator provided a quarterly Administration Report to the Trustees which was 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 undertook a review of the Scheme administrator’s AAF 01/20 audit report in March 2024 which outlined the findings of an 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 was also in place for quarterly meetings 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

The Trustees consider that core financial transactions have not been processed promptly and accurately in all areas during the Scheme Year and have set out below where there have been issues, and steps being taken to resolve them.

During the previous Scheme Year, the Trustee identified that there were some delays to the transfers of assets relating to members into and out of the Scheme during the Scheme Year that were delayed due to a number of issues including staff resourcing issues at the Scheme’s third-party administrator and resulting management of case loads. As result of these resourcing issues, and concerns regarding the prompt processing of some of the core financial transactions, the Trustees arranged additional monthly meetings with the Scheme administrator prior to the start of the Scheme Year to more closely monitor its resourcing and ongoing performance against its SLAs providing additional opportunities for the Trustees to discuss, agree and monitor various ways of improving service levels and manage outstanding cases. It also allows for more engagement with key senior Scheme administrator personnel. These have continued during the Scheme Year.

The Trustees have continued to find the Scheme administrator’s processing of core financial transactions in relation to the transfer of member assets into and out of the Scheme and



payments from the Scheme to, or in respect of, members has often not been in line with SLAs during the Scheme Year and subsequently, and there have been significant delays in some cases. On 24 May 2024 the Trustees submitted a formal expression of concern with the Scheme administrator's Senior Management and instigated additional monthly reporting to more closely monitor the ongoing performance. The Trustees reviewed complaints, errors or non-conformances on at least a quarterly basis which would assist in identifying any further administrative failings, including any inaccuracies. Following the expression of concern the Scheme administrator agreed an action plan that was agreed with the Trustees in June 2024 and progress against that plan has been monitored via the additional monthly reporting with the Trustees challenging the Scheme administrator where it has not met target delivery dates set in the action plan.

Wider processes 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 transfer and retirement processes.

2.1 Significant Event Reports

Twelve significant events (as defined in the Pension Schemes Act 2017) have occurred during the Scheme Year and have therefore been reported to the Pensions Regulator ("TPR") in line with TPR's Significant Event Reporting requirements. None of those were classed as a Significant Event J, "a failure of the systems or processes used in running the scheme" and none of them relate to a failure to process core financial transactions promptly and accurately.

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. 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. 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.

The "additional expenses" payable 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 expenses are explicit, i.e. costs for which an invoice could be generated. Examples include brokerage fees, stamp duty and custodian fees.

There were no performance-based fees applicable during the 2023/24 Scheme Year. At the date of this statement there have been no performance-based fees applicable since the end of the 2023/24 Scheme Year and there are no plans to introduce performance-based fees. Performance-based fees are additional charges that are applied when a certain level of investment return is achieved.

Transaction costs are those incurred as a result of the buying, selling, lending or borrowing of investments. Transaction costs are implicit and variable over different periods and funds.



Transaction costs 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 £1.50 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 monthly member charge is only deducted where the member’s Retirement Account fund value is £102 or greater.

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

Fund	Fund Based Charge %	Additional Expenses %	Transaction Costs (Note 2 & 3) %	Total %	Monthly Member Fee	
					Active £	Deferred £
CAEP (Pre 7 October 2023)						
Scottish Widows Cash (Note 1)	0.40	0.00	0.01	0.41	2.00	1.50
Scottish Widows Pension Portfolio Three (Note 1)	0.40	0.00	0.06	0.46	2.00	1.50
Scottish Widows Pension Portfolio Four (Note 1)	0.40	0.00	0.09	0.49	2.00	1.50
Scottish Widows Pension Protector	0.40	0.00	0.03	0.43	2.00	1.50
Scottish Widows HSBC Islamic	0.70	0.00	0.00	0.70	2.00	1.50
Scottish Widows LGIM Ethical Global Equity	0.70	0.00	0.00	0.70	2.00	1.50



CAEP (Post 13 October 2023)						
CPT Cushon Global Equity Core (Note 1)	0.40	0.00	0.06	0.46	2.00	1.50
CPT Cushon Global Bonds Core (Note 1)	0.27	0.08	0.13	0.48	2.00	1.50
CPT Cushon Inflation Linked Government Bonds Core (Note 1)	0.40	0.00	0.04	0.44	2.00	1.50
CPT Cushon Sterling Cash Core (Note 1)	0.40	0.00	0.07	0.47	2.00	1.50
CPT Cushon Cash	0.42	0.00	0.07	0.49	2.00	1.50
CPT Cushon Fixed Interest Gilts	0.41	0.00	0.05	0.46	2.00	1.50
CPT Cushon Global Impact	0.77	0.03	0.08	0.88	2.00	1.50
CPT Cushon Index Linked Gilts	0.41	0.00	0.03	0.44	2.00	1.50
CPT Cushon Shariah	0.67	0.00	0.01	0.68	2.00	1.50
CPT Cushon Sustainable Emerging Market	0.62	0.00	0.33	0.95	2.00	1.50
CPT Cushon Sustainable Europe ex UK Equity	0.47	0.00	0.13	0.60	2.00	1.50
CPT Cushon Sustainable Global Equity	0.46	0.00	0.07	0.53	2.00	1.50
CPT Cushon Sustainable Japanese Equity	0.47	0.00	0.06	0.53	2.00	1.50
CPT Cushon Sustainable North American Equity	0.47	0.00	0.01	0.48	2.00	1.50
CPT Cushon Sustainable Pacific ex Japan Equity	0.47	0.00	0.10	0.57	2.00	1.50
CPT Cushon Sustainable UK Equity	0.42	0.00	0.36	0.78	2.00	1.50
CPT Cushon Sustainable UK Corporate Bonds	0.45	0.00	-0.05	0.40	2.00	1.50

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.
- 3) The transaction costs for the CAEP funds do not include the one off total transaction costs incurred as a result of the change to the investment strategy completed in October 2023 which were 0.181% of the assets transferred from Scottish Widows Limited to Mobius Life Limited.



Fund	Fund Based Charge %	Additional Expenses %	Transaction Costs (Note 2) %	Total %	Monthly Member Fee	
					Active £	Deferred £
CWP						
ML Creative Accumulation Fund (Note 1)	0.30	0.00	0.03	0.33	2.00	1.50
ML Passive All Stock Corporate Bond Fund (Note 1)	0.30	0.00	-0.02	0.28	2.00	1.50
ML Sterling Liquidity Fund (Note 1)	0.30	0.00	0.08	0.38	2.00	1.50
ML Pre-Retirement Fund	0.75	0.00	0.06	0.81	2.00	1.50
ML Conservative Fund	0.75	0.01	0.04	0.80	2.00	1.50
ML Retirement Builder	0.75	0.01	0.01	0.77	2.00	1.50
ML Diversified Beta Fund	0.75	0.01	0.01	0.77	2.00	1.50
ML Equity Accumulation Fund	0.75	0.01	0.02	0.78	2.00	1.50
ML 2070 Retirement Age Fund	0.75	0.01	0.02	0.78	2.00	1.50
ML 2065 Retirement Age Fund	0.75	0.01	0.02	0.78	2.00	1.50
ML 2060 Retirement Age Fund	0.75	0.01	0.02	0.78	2.00	1.50
ML 2055 Retirement Age Fund	0.75	0.01	0.02	0.78	2.00	1.50
ML 2050 Retirement Age Fund	0.75	0.01	0.02	0.78	2.00	1.50
ML 2045 Retirement Age Fund	0.75	0.01	0.01	0.77	2.00	1.50
ML 2040 Retirement Age Fund	0.75	0.01	0.01	0.77	2.00	1.50
ML 2035 Retirement Age Fund	0.75	0.01	0.02	0.78	2.00	1.50
ML 2030 Retirement Age Fund	0.75	0.01	0.03	0.79	2.00	1.50
ML 2025 Retirement Age Fund	0.75	0.01	0.04	0.80	2.00	1.50
ML Passive Emerging Market Equity Fund	0.70	0.08	-0.13	0.65	2.00	1.50
ML Passive Global Ex-UK Equity GBP Hedged Fund	0.50	0.01	-0.06	0.46	2.00	1.50
ML Passive UK Equity Fund	0.45	0.00	0.04	0.49	2.00	1.50
ML All Stock UK Corporate Bond Fund	0.60	0.04	0.12	0.76	2.00	1.50
ML Passive Global Real Estate Equity Fund	0.65	0.00	0.07	0.72	2.00	1.50
ML DGF Solutions Fund	1.00	0.09	0.23	1.32	2.00	1.50
ML Shariah Fund	0.70	0.00	0.01	0.71	2.00	1.50
ML Passive Ethical Equity Fund	0.70	0.00	0.01	0.71	2.00	1.50
ML Retirement Ready Fund	0.75	0.00	0.04	0.79	2.00	1.50

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.



3.2 Projected Values and Impact of Charges

In accordance with regulation 23(1)(c) of the Administration Regulations, the effect of the charges and transaction costs for each of the funds is shown in the tables 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. The Trustees have taken account of statutory guidance when preparing this section of the statement.

CAEP Projected Values

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 £5,400.
- 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 starting level of assumed monthly contribution is £135.
- 6) Values shown are estimated and are not guaranteed. The projection does not indicate the likely variance and volatility in the possible outcomes from each fund.
- 7) The transaction cost figures used in the projections are those provided by the Investment Provider averaged and annualised over the last five Scheme years, or the longest period for which data is available where that is less than five years, subject to a minimum of zero (so the projection does not assume a negative cost over the long term).
- 8) The numbers shown in the projection are rounded to the nearest £100.
- 9) The projected growth rate (PGR) for each fund is detailed under the name of each fund in the table below. For the Main Default Arrangement the PGR detailed in the table below is given as a range, this is because one PGR is given for the initial years in the growth phase of the strategy and another given for the investment assets held at the end of the lifestyling de-risking period (i.e. immediately prior to members' Normal Retirement Age, or other member-selected retirement age).
- 10) The projections take into account the effect of all charges and transaction costs based on the average of such costs as provided by the Investment Provider (subject to assumption 7 above) and in accordance with statutory requirements. This includes a fixed member charge of £2 per month and an average percentage fund-based charge (calculated using the average pot sizes).

Investment options available to members from October 2023 during the Scheme Year: -

CAEP	Fund Choice					
	Main Default Arrangement PGR from 3.30% to 2.50% above inflation		CPT Cushon Global Equity Core PGR 3.50% above inflation		CPT Cushon Global Bonds Core PGR 1.50% above inflation	
Years invested	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	£7,200	£7,100	£7,200	£7,100	£7,100	£7,000
5	£14,900	£14,500	£15,000	£14,600	£14,000	£13,600
10	£26,100	£24,700	£26,500	£25,000	£23,300	£22,000
15	£39,300	£36,100	£40,100	£36,800	£33,300	£30,600
20	£54,800	£49,100	£56,200	£50,300	£44,100	£39,500
25	£73,100	£63,600	£75,400	£65,600	£55,700	£48,700
30	£94,500	£80,000	£98,100	£83,000	£68,200	£58,100
35	£119,800	£98,400	£125,200	£102,800	£81,700	£67,800
40	£147,700	£117,700	£157,300	£125,200	£96,200	£77,700
43	£164,500	£128,700	£179,400	£140,200	£105,400	£83,800



Fund Choice						
CAEP	CPT Cushon Inflation Linked Government Bonds Core PGR 4.50% above inflation		CPT Cushon Sterling Cash Core PGR 0.50% below inflation		CPT Cushon Sustainable Global Equity PGR 3.50% above inflation	
Years invested	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	£7,300	£7,200	£6,900	£6,900	£7,200	£7,100
5	£15,600	£15,100	£13,100	£12,700	£15,000	£14,500
10	£28,200	£26,700	£20,500	£19,400	£26,500	£24,900
15	£44,000	£40,500	£27,800	£25,700	£40,100	£36,600
20	£63,700	£57,000	£35,000	£31,600	£56,200	£49,800
25	£88,200	£76,700	£41,900	£37,000	£75,400	£64,900
30	£118,800	£100,300	£48,700	£42,100	£98,100	£81,900
35	£156,800	£128,400	£55,300	£46,800	£125,200	£101,100
40	£204,300	£162,000	£61,700	£51,200	£157,300	£122,900
43	£238,200	£185,300	£65,500	£53,700	£179,400	£137,400
Fund Choice						
CAEP	CPT Cushon Sustainable UK Equity PGR 3.50% above inflation		CPT Cushon Sustainable Europe (ex UK) Equity PGR 3.50% above inflation		CPT Cushon Sustainable Japanese Equity PGR 3.50% above inflation	
Years invested	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	£7,200	£7,100	£7,200	£7,100	£7,200	£7,100
5	£15,000	£14,400	£15,000	£14,500	£15,000	£14,500
10	£26,500	£24,500	£26,500	£24,800	£26,500	£24,900
15	£40,100	£35,700	£40,100	£36,300	£40,100	£36,600
20	£56,200	£48,400	£56,200	£49,400	£56,200	£49,800
25	£75,400	£62,500	£75,400	£64,200	£75,400	£64,900
30	£98,100	£78,200	£98,100	£80,900	£98,100	£81,900
35	£125,200	£95,900	£125,200	£99,700	£125,200	£101,200
40	£157,300	£115,700	£157,300	£120,900	£157,300	£123,000
43	£179,400	£128,600	£179,400	£134,900	£179,400	£137,500
Fund Choice						
CAEP	CPT Cushon Sustainable North American Equity PGR 3.50% above inflation		CPT Cushon Sustainable Pacific ex Japan Equity PGR 4.50% above inflation		CPT Cushon Sustainable Emerging Market Equity PGR 4.50% above inflation	
Years invested	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	£7,200	£7,100	£7,300	£7,200	£7,300	£7,200
5	£15,000	£14,600	£15,600	£15,000	£15,600	£14,800
10	£26,500	£24,900	£28,200	£26,400	£28,200	£25,800
15	£40,100	£36,800	£44,000	£40,000	£44,000	£38,600
20	£56,200	£50,200	£63,700	£56,100	£63,700	£53,500
25	£75,400	£65,400	£88,200	£75,200	£88,200	£70,900
30	£98,100	£82,600	£118,800	£97,800	£118,800	£91,200
35	£125,200	£102,300	£156,800	£124,700	£156,800	£114,800
40	£157,300	£124,500	£204,300	£156,600	£204,300	£142,300
43	£179,400	£139,300	£238,200	£178,500	£238,200	£160,900



Fund Choice						
CAEP	CPT Cushon Fixed Interest Gilts Fund PGR 1.50% above inflation		CPT Cushon Index-Linked Gilts PGR 3.50% above inflation		CPT Cushon Sustainable UK Corporate Bonds PGR 1.50% above inflation	
Years invested	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	£7,100	£7,000	£7,200	£7,100	£7,100	£7,000
5	£14,000	£13,600	£15,000	£14,600	£14,000	£13,600
10	£23,300	£22,000	£26,500	£25,000	£23,300	£22,000
15	£33,300	£30,700	£40,100	£36,900	£33,300	£30,700
20	£44,100	£39,600	£56,200	£50,400	£44,100	£39,700
25	£55,700	£48,900	£75,400	£65,800	£55,700	£48,900
30	£68,200	£58,400	£98,100	£83,300	£68,200	£58,400
35	£81,700	£68,100	£125,200	£103,300	£81,700	£68,200
40	£96,200	£78,200	£157,300	£125,900	£96,200	£78,300
43	£105,400	£84,400	£179,400	£141,000	£105,400	£84,500
Fund Choice						
CAEP	CPT Cushon Shariah PGR 3.50% above inflation		CPT Cushon Global Impact PGR 4.50% above inflation		CPT Cushon Cash PGR 0.50% below inflation	
Years invested	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	£7,200	£7,100	£7,300	£7,200	£6,900	£6,900
5	£15,000	£14,500	£15,600	£14,900	£13,100	£12,600
10	£26,500	£24,600	£28,200	£25,900	£20,500	£19,400
15	£40,100	£36,100	£44,000	£38,900	£27,800	£25,700
20	£56,200	£49,000	£63,700	£54,100	£35,000	£31,500
25	£75,400	£63,400	£88,200	£71,800	£41,900	£36,900
30	£98,100	£79,700	£118,800	£92,500	£48,700	£42,000
35	£125,200	£98,000	£156,800	£116,800	£55,300	£46,700
40	£157,300	£118,600	£204,300	£145,200	£61,700	£51,000
43	£179,400	£132,200	£238,200	£164,500	£65,500	£53,500

Investment options available up to 6 October 2023

For completeness projections have been provided in the table below for the Default Arrangement and self-select funds with the lowest (SW Cash fund) and highest (SW HSBC Islamic fund) charges available for members during the Scheme Year up to 6 October 2023. These investment options ceased to be available from 6 October 2023 following the investment strategy change detailed earlier in this Statement.



CAEP	Fund Choice					
	Default Arrangement PGR 2.50% above to 0.75% below inflation		Scottish Widows Cash Fund PGR 0.75% below inflation		Scottish Widows HSBC Islamic Fund PGR 4.25% above inflation	
Years invested	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	£7,100	£7,100	£6,900	£6,900	£7,200	£7,200
3	£10,700	£10,500	£10,000	£9,800	£11,200	£10,900
5	£14,500	£14,100	£13,000	£12,600	£15,400	£14,800
10	£24,800	£23,500	£20,200	£19,200	£27,800	£25,800
15	£36,500	£33,600	£27,200	£25,300	£43,000	£38,600
20	£49,700	£44,600	£34,000	£30,900	£61,700	£53,500
25	£64,700	£56,500	£40,500	£36,100	£84,800	£70,900
30	£81,100	£69,000	£46,700	£40,900	£113,200	£91,200
35	£96,100	£79,400	£52,800	£45,300	£148,100	£114,800
40	£110,200	£88,600	£58,600	£49,300	£191,200	£142,300
43	£114,000	£90,100	£61,900	£51,600	£221,700	£160,900

CWP Projected Values

Projections have been provided for the Default Arrangements and self-select funds available for members from April 2024 as the default arrangement and funds applicable during the Scheme Year are no longer available.

Assumptions: -

- 1) Projected pot values are shown in today's terms and do not need to be further reduced for the effect of inflation.
- 2) The starting pot size is assumed to be £8,900
- 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 starting level of assumed monthly contribution is £170
- 6) Values shown are estimated and are not guaranteed. The projection does not indicate the likely variance and volatility in the possible outcomes from each fund.
- 7) The transaction cost figures used in the projection are those provided by the Investment Manager averaged and annualised over the last five Scheme years, or the longest period for which data is available where that is less than five years, subject to a minimum of zero (so the projection does not assume a negative cost over the long term).
- 8) The numbers shown in the table are rounded to the nearest £100.
- 9) The projected growth rate (PGR) for each fund is detailed under the name of each fund in the table below. For the Default Arrangement the PGR detailed in the table below is given as a range, this is because one PGR is given for the initial years in the growth phase of the strategy and another given for the investment assets held at the end of the lifestyling de-risking period (i.e., immediately prior to members' Normal Retirement Age, or other member-selected retirement age).
- 10) The projections take into account the effect of all charges and transaction costs based on the average of such costs as provided by the Investment Manager (subject to assumption 7 above) and in accordance with statutory requirements. Also included in the fees is a fixed member charge of £2 per month and an average percentage fund-based charge (calculated using the average pot sizes).



Fund Choice						
CWP	Main Default Arrangement PGR from 3.30% to 2.50% above inflation		CPT Cushon Global Equity Core PGR 3.50% above inflation		CPT Cushon Global Bonds Core PGR 1.50% above inflation	
Years invested	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	£11,200	£11,200	£11,200	£11,200	£11,000	£11,000
5	£21,300	£20,800	£21,500	£21,000	£20,000	£19,400
10	£35,900	£34,400	£36,400	£34,900	£31,900	£30,300
15	£53,100	£49,900	£54,200	£51,000	£44,700	£41,600
20	£73,400	£67,600	£75,200	£69,500	£58,600	£53,300
25	£97,100	£87,800	£100,300	£90,800	£73,500	£65,400
30	£125,100	£110,700	£130,000	£115,300	£89,500	£77,900
35	£158,000	£136,900	£165,300	£143,600	£106,900	£91,000
40	£194,400	£164,700	£207,300	£176,100	£125,500	£104,500
43	£216,300	£180,700	£236,100	£198,000	£137,400	£112,800
Fund Choice						
CWP	CPT Cushon Inflation Linked Government Bonds Core PGR 4.50% above inflation		CPT Cushon Sterling Cash Core PGR 0.50% below inflation		CPT Cushon Sustainable Global Equity PGR 3.50% above inflation	
Years invested	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	£11,300	£11,300	£10,900	£10,800	£11,200	£11,200
5	£22,300	£21,800	£18,600	£18,100	£21,500	£20,900
10	£38,900	£37,400	£28,000	£26,800	£36,400	£34,800
15	£59,700	£56,300	£37,200	£35,100	£54,200	£50,600
20	£85,600	£79,100	£46,100	£42,800	£75,200	£68,800
25	£117,900	£106,800	£54,800	£50,200	£100,300	£89,700
30	£158,100	£140,200	£63,400	£57,100	£130,000	£113,700
35	£208,200	£180,700	£71,700	£63,600	£165,300	£141,200
40	£270,600	£229,700	£79,800	£69,800	£207,300	£172,800
43	£315,200	£264,000	£84,500	£73,300	£236,100	£194,000



Fund Choice						
CWP	CPT Cushon Sustainable UK Equity PGR 3.50% above inflation		CPT Cushon Sustainable Europe (ex UK) Equity PGR 3.50% above inflation		CPT Cushon Sustainable Japanese Equity PGR 3.50% above inflation	
Years invested	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	£11,200	£11,200	£11,200	£11,200	£11,200	£11,200
3	£16,200	£15,800	£16,200	£15,900	£16,200	£15,900
5	£21,500	£20,700	£21,500	£20,900	£21,500	£20,900
10	£36,400	£34,200	£36,400	£34,600	£36,400	£34,800
15	£54,200	£49,400	£54,200	£50,300	£54,200	£50,600
20	£75,200	£66,700	£75,200	£68,200	£75,200	£68,800
25	£100,300	£86,300	£100,300	£88,800	£100,300	£89,700
30	£130,000	£108,500	£130,000	£112,200	£130,000	£113,700
35	£165,300	£133,700	£165,300	£139,100	£165,300	£141,300
40	£207,300	£162,300	£207,300	£169,800	£207,300	£172,900
43	£236,100	£181,200	£236,100	£190,400	£236,100	£194,100
Fund Choice						
CWP	CPT Cushon Sustainable North American Equity PGR 3.50% above inflation		CPT Cushon Sustainable Pacific ex Japan Equity PGR 4.50% above inflation		CPT Cushon Sustainable Emerging Market Equity PGR 4.50% above inflation	
Years invested	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	£11,200	£11,200	£11,300	£11,300	£11,300	£11,200
3	£16,200	£15,900	£16,600	£16,300	£16,600	£16,100
5	£21,500	£21,000	£22,300	£21,700	£22,300	£21,400
10	£36,400	£34,900	£38,900	£37,100	£38,900	£36,100
15	£54,200	£50,900	£59,700	£55,500	£59,700	£53,500
20	£75,200	£69,300	£85,600	£77,800	£85,600	£74,100
25	£100,300	£90,400	£117,900	£104,500	£117,900	£98,400
30	£130,000	£114,800	£158,100	£136,600	£158,100	£127,100
35	£165,300	£142,800	£208,200	£175,300	£208,200	£160,900
40	£207,300	£175,100	£270,600	£221,800	£270,600	£200,900
43	£236,100	£196,800	£315,200	£254,100	£315,200	£228,300



Fund Choice						
CWP	CPT Cushon Fixed Interest Gilts Fund PGR 1.50% above inflation		CPT Cushon Index-Linked Gilts PGR 3.50% above inflation		CPT Cushon Sustainable UK Corporate Bonds PGR 1.50% above inflation	
Years invested	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	£11,000	£11,000	£11,200	£11,200	£11,000	£11,000
5	£20,000	£19,500	£21,500	£21,000	£20,000	£19,500
10	£31,900	£30,600	£36,400	£35,000	£31,900	£30,600
15	£44,700	£42,200	£54,200	£51,100	£44,700	£42,200
20	£58,600	£54,300	£75,200	£69,700	£58,600	£54,300
25	£73,500	£66,900	£100,300	£91,100	£73,500	£66,900
30	£89,500	£80,100	£130,000	£115,800	£89,500	£80,100
35	£106,900	£93,900	£165,300	£144,300	£106,900	£93,900
40	£125,500	£108,300	£207,300	£177,200	£125,500	£108,300
43	£137,400	£117,200	£236,100	£199,200	£137,400	£117,300
Fund Choice						
CWP	CPT Cushon Shariah PGR 3.50% above inflation		CPT Cushon Global Impact PGR 4.50% above inflation		CPT Cushon Cash PGR 0.50% below inflation	
Years invested	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	£11,200	£11,200	£11,300	£11,200	£10,900	£10,800
5	£21,500	£20,800	£22,300	£21,500	£18,600	£18,100
10	£36,400	£34,400	£38,900	£36,300	£28,000	£26,800
15	£54,200	£49,900	£59,700	£54,000	£37,200	£35,000
20	£75,200	£67,600	£85,600	£74,900	£46,100	£42,700
25	£100,300	£87,700	£117,900	£99,700	£54,800	£50,000
30	£130,000	£110,600	£158,100	£129,000	£63,400	£56,900
35	£165,300	£136,800	£208,200	£163,900	£71,700	£63,400
40	£207,300	£166,600	£270,600	£205,100	£79,800	£69,500
43	£236,100	£186,400	£315,200	£233,500	£84,500	£73,000
Fund Choice						
CWP	Cushon Retirement Ready Fund PGR 1.50% above inflation		Cushon 2025 Target Age Fund PGR 3.50% above inflation		Cushon 2030 Target Age Fund PGR 3.50% above inflation	
Years invested	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	£11,000	£10,900	£11,200	£11,100	£11,200	£11,100
5	£20,000	£19,200	£21,500	£20,700	£21,500	£20,700
10	£31,900	£29,800	£36,400	£34,000	£36,400	£34,000
15	£44,700	£40,600	£54,200	£49,000	£54,200	£49,100
20	£58,600	£51,600	£75,200	£65,900	£75,200	£66,100
25	£73,500	£62,900	£100,300	£85,000	£100,300	£85,300
30	£89,500	£74,400	£130,000	£106,600	£130,000	£107,000
35	£106,900	£86,200	£165,300	£130,900	£165,300	£131,500
40	£125,500	£98,300	£207,300	£158,400	£207,300	£159,200
43	£137,400	£105,600	£236,100	£176,600	£236,100	£177,500



Fund Choice						
CWP	Cushon 2035 Target Age Fund PGR 3.50% above inflation		Cushon 2040 Target Age Fund PGR 3.50% above inflation		Cushon 2045 Target Age Fund PGR 3.50% above inflation	
Years invested	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	£11,200	£11,100	£11,200	£11,100	£11,200	£11,100
5	£21,500	£20,700	£21,500	£20,700	£21,500	£20,700
10	£36,400	£34,000	£36,400	£34,100	£36,400	£34,100
15	£54,200	£49,100	£54,200	£49,200	£54,200	£49,200
20	£75,200	£66,200	£75,200	£66,200	£75,200	£66,200
25	£100,300	£85,400	£100,300	£85,600	£100,300	£85,600
30	£130,000	£107,200	£130,000	£107,400	£130,000	£107,400
35	£165,300	£131,800	£165,300	£132,100	£165,300	£132,100
40	£207,300	£159,700	£207,300	£160,100	£207,300	£160,100
43	£236,100	£178,100	£236,100	£178,600	£236,100	£178,600
Fund Choice						
CWP	Cushon 2050 Target Age Fund PGR 3.50% above inflation		Cushon 2055 Target Age Fund PGR 3.50% above inflation		Cushon 2060 Target Age Fund PGR 3.50% above inflation	
Years invested	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	£11,200	£11,100	£11,200	£11,100	£11,200	£11,100
5	£21,500	£20,700	£21,500	£20,700	£21,500	£20,700
10	£36,400	£34,000	£36,400	£34,000	£36,400	£34,000
15	£54,200	£49,100	£54,200	£49,100	£54,200	£49,100
20	£75,200	£66,200	£75,200	£66,200	£75,200	£66,200
25	£100,300	£85,400	£100,300	£85,400	£100,300	£85,400
30	£130,000	£107,200	£130,000	£107,200	£130,000	£107,200
35	£165,300	£131,800	£165,300	£131,800	£165,300	£131,800
40	£207,300	£159,700	£207,300	£159,700	£207,300	£159,700
43	£236,100	£178,100	£236,100	£178,100	£236,100	£178,100
Fund Choice						
CWP	Cushon 2065 Target Age Fund PGR 3.50% above inflation		Cushon 2070 Target Age Fund PGR 3.50% above inflation			
Years invested	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	£11,200	£11,100	£11,200	£11,100	£11,200	£11,100
5	£21,500	£20,700	£21,500	£20,700	£21,500	£20,700
10	£36,400	£34,000	£36,400	£34,000	£36,400	£34,100
15	£54,200	£49,100	£54,200	£49,100	£54,200	£49,200
20	£75,200	£66,200	£75,200	£66,200	£75,200	£66,300
25	£100,300	£85,400	£100,300	£85,400	£100,300	£85,700
30	£130,000	£107,200	£130,000	£107,200	£130,000	£107,600
35	£165,300	£131,800	£165,300	£131,800	£165,300	£132,400
40	£207,300	£159,700	£207,300	£159,700	£207,300	£160,500
43	£236,100	£178,100	£236,100	£178,100	£236,100	£179,000



Investment options available during the Scheme Year

Projections have been provided in the table below for the Default Arrangement and self-select funds with the lowest (ML Passive All Stocks Corporate Bond fund) and highest (ML DGF Solutions fund) charges available for members during the Scheme Year prior to investment strategy change detailed earlier in this Statement. These investment options are no longer available following the investment strategy change in April 2024.

CWP	Fund Choice					
	Default Arrangement PGR 3.50% above to 0.50% below inflation		ML Passive All Stocks Corporate Bond PGR 1.50% above inflation		ML DGF Solutions PGR 1.50% above inflation	
Years invested	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	£11,200	£11,200	£11,000	£11,000	£11,000	£10,900
3	£16,200	£15,900	£15,400	£15,200	£15,400	£14,800
5	£21,500	£21,000	£20,000	£19,600	£20,000	£18,800
10	£36,400	£34,800	£31,900	£30,700	£31,900	£28,600
15	£54,200	£50,700	£44,700	£42,400	£44,700	£38,300
20	£75,200	£69,000	£58,600	£54,700	£58,600	£47,900
25	£100,300	£90,000	£73,500	£67,500	£73,500	£57,400
30	£129,400	£113,700	£89,500	£80,900	£89,500	£66,800
35	£159,300	£137,000	£106,900	£95,000	£106,900	£76,200
40	£189,100	£159,200	£125,500	£109,700	£125,500	£85,400
43	£195,900	£162,900	£137,400	£118,900	£137,400	£90,900

3.3 Net Returns Reporting

In accordance with the Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 and resulting statutory guidance, the investment returns net of charges and transaction costs for the Scheme funds, including various stages of the default arrangements, are shown in the tables below, together with the assumptions that have been used in calculating these figures.

CAEP

Assumptions: -

- 1) Values are based on a pot size of £5,400 at the start of the period with no allowance for ongoing contributions.
- 2) All fund returns include a deduction of a fixed fee of £2.00 per month, which has been converted into a percentage based on a pot size of £5,400 which is the median active pot size for this section, in addition to all other charges and transaction costs applicable for a member invested in the Main Default Arrangement or relevant Scheme fund. This reflects the highest fixed charge paid by members as this charge can vary between different members of the Scheme. Members paying a lower fixed charge could expect a marginally higher net return than shown in the tables below.

CAEP Default Arrangement*				
Performance Period to 31/03/2024		1 year (%)	3 years (%)	5 years (%)
Member Age at the start of the period	25	18.3	4.9	5.7
	45	18.3	4.9	5.7
	55	17.4	2.5	3.5



*Please note that the CAEP default arrangement was changed in October 2023. The returns shown above have chain-linked the returns of the old and new default arrangements using a transition date of 1 November 2023 for practicality.

Current CAEP Funds*			
Notional Performance Period to 31/03/2024	1 year (%)	3 years (% pa)	5 years (% pa)
CPT Cushon Sustainable UK Corporate Bonds	6.7	-3.6	-0.6
CPT Cushon Sustainable UK Equity	6.0	5.3	3.3
CPT Cushon Sustainable Pacific ex Japan Equity	-0.2	1.8	4.2
CPT Cushon Sustainable North American Equity	27.1	13.4	15.6
CPT Cushon Sustainable Japanese Equity	21.9	5.5	8.1
CPT Cushon Sustainable Global Equity	20.6	9.6	11.0
CPT Cushon Sustainable Europe ex UK Equity	13.5	9.2	10.0
CPT Cushon Sustainable Emerging Market Equity	5.6	-3.3	1.7
CPT Cushon Shariah	29.2	13.7	16.0
CPT Cushon Index Linked Gilts	-5.9	-10.8	-6.1
CPT Cushon Global Impact	5.8	-1.5	14.3
CPT Cushon Fixed Interest Gilts	-1.0	-8.3	-4.7
CPT Cushon Cash	4.1	1.6	0.7
CPT Cushon Sterling Cash Core	4.2	1.7	0.8
CPT Cushon Inflation Linked Government Bonds Core	-7.7	-12.9	-7.4
CPT Cushon Global Bonds Core	5.2	-3.2	-0.5
CPT Cushon Global Equity Core	20.4	8.9	11.0

*Please note that these funds were made available to members during the Scheme Year from October 2023. Therefore the above net returns are based on the gross return for the underlying holdings, which have the relevant history, with the Scheme charges deducted, and is provided for illustration purposes only.

Previous CAEP Funds*			
Performance Period to 31/03/2024	1 year (%)	3 years (% pa)	5 years (% pa)
Scottish Widows Cash	3.3	0.9	0.3
Scottish Widows Pension Portfolio Four	8.8	-0.1	2.2
Scottish Widows Pension Portfolio Three	13.4	3.4	4.9
Scottish Widows Pension Protector	4.7	-11.3	-4.8
Scottish Widows HSBC Islamic	29.8**	12.9	N/A***
Scottish Widows L&G Ethical Global Equity Index	21.9**	12.6	N/A***

*Please note that these funds are no longer available for members to invest in.

**Data for these funds has been sourced from the underlying manager.

***Longer term performance data for these funds is not available as the Scheme versions were launched in April 2020.



CWP

Assumptions: -

- 1) Values are based on a pot size of £8,900 at the start of the period with no allowance for ongoing contributions.
- 2) All fund returns include a deduction of a fixed fee of £2.00 per month, which has been converted to a percentage based on a pot size of £8,900 which is the median active pot size for this section, in addition to all other charges and transaction costs applicable for a member invested in the Default Arrangement or relevant Scheme fund. This reflects the highest fixed charge paid by members as this charge can vary for different members of the Scheme. Members paying a lower fixed charge could expect a marginally higher net return than shown in the tables above.

CWP Default Arrangement (during the Scheme Year)				
Performance Period to 31/03/2024		1 year (%)	3 years (%)	5 years (%)
Member Age at the start of the period	25	12.5	4.8	6.8
	45	12.5	4.8	6.8
	55	9.5	1.3	3.6
CWP Funds				
Performance to 31/03/2024		1 year (%)	3 years (% pa)	5 years (% pa)
ML 2025 Retirement Age Fund		6.3	2.2	3.1
ML 2030 Retirement Age Fund		7.2	2.9	3.7
ML 2035 Retirement Age Fund		8.2	4.4	4.7
ML 2040 Retirement Age Fund		9.3	6.1	5.9
ML 2045 Retirement Age Fund		10.2	7.5	7.0
ML 2050 Retirement Age Fund		11.1	8.9	8.0
ML 2055 Retirement Age Fund		12.0	10.3	9.0
ML 2060 Retirement Age Fund		12.4	10.7	9.2
ML 2065 Retirement Age Fund*		12.4	10.7	9.2
ML 2070 Retirement Age Fund*		12.4	10.7	9.2
ML All Stock UK Corporate Bond Fund		7.3	-0.1	1.8
ML Conservative Fund		5.3	-0.4	1.3
ML Creative Accumulation Fund		12.5	9.2	9.3
ML DGF Solutions Fund		5.7	2.2	2.7
ML Diversified Beta Fund		9.8	6.7	6.2
ML Equity Accumulation Fund		12.4	10.7	9.2
ML Passive All Stock Corporate Bond Fund		4.8	-2.3	-0.3
ML Passive Emerging Market Equity Fund		4.3	-1.5	3.2
ML Passive Ethical Equity Fund		21.6	20.6	18.0
ML Passive Global Ex-UK Equity (GBP Hedged) Fund		26.0	18.3	17.0
ML Passive Global Real Estate Equity Index Fund		5.2	4.3	2.0
ML Passive UK Equity Fund		7.9	10.8	6.5
ML Pre-Retirement Fund		6.1	-3.0	-0.7
ML Retirement Builder Fund		8.1	4.4	4.5
ML Shariah Fund		29.3	24.9	22.7
ML Sterling Liquidity Fund		4.5	3.8	2.2
ML Retirement Ready Fund		6.1	2.1	n/a**

*The ML 2065 and 2070 Retirement Age funds were launched in March and June 2022 respectively; notional historic performance for these two funds is based on that for the ML Retirement Age 2060 fund over 3 and 5 years.



4. Default Arrangements Asset Allocations

The tables below show the asset allocations for the Scheme's default arrangements applicable during the Scheme Year. The Trustees have had regard to statutory guidance in preparing this information. The allocations are based on a target retirement age of 65 in line with the Scheme's normal retirement age. The CAEP assets held with Scottish Widows Limited were disinvested with a trade date of 6 October 2023 but those funds were not fully received by the new investment platform provider Mobius Life Limited until 13 October 2023.

CAEP – Up to 6 October 2023

Asset class	Allocation			
	Age 25	Age 45	Age 55	At Retirement
Cash	1.2%	1.2%	2.4%	100.0%
Bonds	24.8%	24.8%	56.8%	0.0%
Listed equities	65.9%	65.9%	34.9%	0.0%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property*	2.9%	2.9%	2.9%	0.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other**	5.2%	5.2%	3.0%	0.0%

*Please note that the allocation to property was through listed securities.

**The allocation to others included the allocation to emerging market debt.

CAEP – From 13 October 2023

Asset class	Allocation			
	Age 25	Age 45	Age 55	At Retirement
Cash	0.2%	0.2%	0.2%	10.4%
Bonds	7.9%	7.9%	7.9%	34.8%
Listed equities	90.0%	90.0%	90.0%	50.0%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	0.0%	0.0%	0.0%	0.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other*	1.9%	1.9%	1.9%	4.8%

*Please note that the allocation to others includes alternative fixed income assets such as synthetic credit and emerging market debt.

CWP

Asset class	Allocation			
	Age 25	Age 45	Age 55	At Retirement
Cash	0.0%	0.0%	0.0%	100.0%
Bonds	30.0%	30.0%	58.0%	0.0%
Listed equities	70.0%	70.0%	42.0%	0.0%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property	0.0%	0.0%	0.0%	0.0%
Private debt	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%

*Please note that this allocation relates to the default arrangement in place during the Scheme Year and prior to the investment strategy change completed in April 2024.



5. 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 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 SLAs;
- 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 % made up as follows: -

Category	Maximum Score	Actual Score
Risk	40.00	33.25
Cost	30.00	26.50
Quality	20.00	13.50
Relevance	10.00	9.00
Total	100.00	82.25

This compared with an overall rating of 81.00% for the previous Scheme Year ending 31 March 2023. A summary of the scoring considerations taken in arriving at that overall rating is provided below:

Risk – The Trustees increased the overall score for this Value assessment category, from 31.00 last year to 33.25 this year. This increase was agreed in acknowledgement of the improved relationship with Cushon MT Limited's senior management, who regularly attend Trustees' meetings and make themselves available in respect of key matters concerning the running of the Scheme and interaction with the regulator.

In addition, the successful implementation of the CAEP asset transfer from Scottish Widows Limited and new investment strategies in October 2023, leaving Mobius Life Limited as the lone investment platform provider, has been identified as reducing the overall risk to the Scheme and its investment proposition. The Trustees were supported throughout the CAEP asset transfer process by their Investment Adviser, which has gained an additional 12 months experience working on the Scheme. The Trustees have also continued to benefit from additional training delivered by their Investment Adviser, including sessions on climate metrics, stewardship, biodiversity and social factors, as well as cyber security training provided by Mobius Life Limited.

The Trustees consider the overall increase in this year's score to be a fair reflection of the positive developments outlined above.

Cost – The Trustees agreed to maintain last year's overall score of 26.50 on this Value assessment category, based on there having been no significant changes to costs incurred by members on average.

The Trustees believe maintaining last year's score for this year's assessment is fair given that fact.

Quality – The Trustees agreed to reduce the overall score on this Value assessment category from 15.00 last year to 13.50 this year to acknowledge the continuing challenges with the Scheme administration services over the course of the Scheme Year. In response to those challenges the Trustees have raised a formal expression of concern with the Scheme administrator's Senior Management and instigated additional monthly reporting to more closely monitor ongoing service level performance and expected improvements. Representatives of the Scheme administrator have attended all quarterly, ordinary Trustees' meetings as well as interim Trustees' meetings and additional, dedicated administration meetings over the course of the Scheme Year.

The Trustees also noted the continued quality of member communications over the course of the Scheme Year as well as some further developments in exploring ways of more effectively engaging with members.



The Trustees consider this reduction in score is proportionate to reflect the issues highlighted above but also the measures being taken to address those.

Relevance – The Trustees agreed to increasing the overall score for this value assessment from 8.50 last year to 9.00 this year. This increase was based on the implementation of the new CAEP investment strategy in October 2023, with expected improvement in member outcomes and its focus on sustainability and carbon reduction over, as well as the design of the Scheme continuing to be relevant and appropriate to its membership.

In conclusion and having taken into consideration all 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 administration service performance has been below expected levels in a number of areas and there is always scope for improvement, the charges and transaction costs applied in the Scheme represent good value for members, and the Scheme remains well run overall. The Trustees actively continue to seek to apply best practice, innovation and improvement throughout their relationships with all providers to ensure good value for members.

6. 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 Pension and Lifetime Savings Association’s (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 several pension schemes of various shapes and sizes. He is a member of the PLSA’s DC Master Trust Reference Group and in June 2021, he became the representative for the Scheme on the Department for Work & Pensions Occupational Pensions Stewardship Council (OPSC).

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 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, IPTG, and 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 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.

She works on a range of trustee boards of both defined benefit and defined contribution pension schemes and spent several 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. On 1 May 2021 he was appointed as a non-executive Director on the Board of the Pensions Ombudsman and 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 34 years. Much of that has been in pensions administration and member experience leading several outsourcing businesses or managing large pension schemes with significant numbers of members. 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.

Trustee Advisers

The Trustees received advice on investment matters from their Investment Adviser and also received advice on legal, audit and other issues from 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 Pensions Act 2004 (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 climate metrics, stewardship, biodiversity, social factors and cyber security over the course of the Scheme Year.
- individual Trustees have also chaired, attended and judged at several seminars/events over the Scheme Year such as the 2024 Professional Pensions Awards on 19 February 2024, the OPSC's Climate Change meeting on Net Zero Target Challenges on 4 April 2023 and the TPR TCFD feedback meeting regarding scope 3 emissions on 5 June 2023, as well as the PLSA Investment Conference from 8-6 June 2023.



- 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 Trustees have access to professional advisers (see details above) where required.
- the Trustees have exercised their 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 and shortly following the Scheme Year the SIPs for both sections of the Scheme have been respectively reviewed and updated. 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 with updates being made to the 'Trustees' Investment Beliefs and ESG Strategy' and 'Climate Change Governance and Reporting Framework' documents as well as the Scheme's Implementation Statements, which for the 2022/23 Scheme Year were published on the Scheme's website on 30 October 2023.
- 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.
- In November 2023 the Trustees implemented a new Equality Diversity & Inclusion ("ED&I") policy and following an engagement meeting with the Pension Regulator in December 2023, a meeting was held to review the TPR ED&I guidance on 16 February 2024 against the Trustees' Member Communication Policy and the Trustees' ED&I Policy.

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 to self-assess the skills, knowledge, understanding and experience that he or she has. The Trustee Board 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.

Following completion of a Trustee Board Effectiveness questionnaire in November 2022 a review report was produced and reviewed in September 2023, which documented the collective Trustee Board scoring for each criterion within the questionnaire and assessed the areas for improvement and made suggestions as to how those improvements can be achieved. A further assessment of the effectiveness of the Trustee Board was carried out in September 2024 and a further report will follow for the Trustees' review in December 2024.



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 to ensure that if there is any collective knowledge or skills gaps, these can be addressed and any relevant training undertaken. No material gaps were identified during the Scheme Year, although as mentioned previously in this Statement, during the Scheme Year, the Trustees undertook a review of their Member Communication Policy and ED&I Policy in February 2024.

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 them to properly exercise their duties and responsibilities to the Scheme.

7. Majority of trustees to be “non-affiliated”

During the Scheme Year there have been 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, “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.



8. Process for appointment of a non-affiliated trustee

There were no additional non-affiliated trustees appointed during the Scheme Year.

9. 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. These arrangements were in place throughout the Scheme Year. A member survey is also being planned for November 2024, with the Trustees and Scheme Sponsor & Manager agreeing that a survey during the Scheme Year would be deferred due to the series of additional member communications issued over that period in relation to the CAEP and CWP investment strategy changes.

During the Scheme Year members were provided with quarterly newsletters that contain relevant contact information for members to share their views on matters relating to the Scheme with the Trustees.

To encourage member engagement the Scheme administrator issues guidance on how feedback can be given via an online questionnaire as part of its 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. Members are also asked to provide feedback following interaction with the Scheme administrator through their on-line Member Portal.

For and on behalf of the Trustees of Creative Pension Trust

Roger Mattingly

Chair of Trustees

Date: 25 October 2024





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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 and BESTrustees Limited (Company No. 02671775) of 1 Cornhill, London, EC3V 3ND. The scheme is sponsored by Creative Auto Enrolment Limited (Company No. 8554978), trading as Creative. Registered office: 250 Bishopsgate, London, EC2M 4AA.

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Statement of Investment Principles

Creative Auto Enrolment Pension | April 2024



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INTRODUCTION

This Statement of Investment Principles ("SIP") has been prepared by PAN Trustees UK LLP, Roger Mattingly, Robert Branagh and BESTrustees Limited (the "Trustees") as the Trustees of Creative Pension Trust (the "Scheme") in consultation with Creative Auto-Enrolment Limited (the "Scheme Sponsor & Manager"). This SIP relates only to section 1 of the Scheme known as Creative Auto Enrolment Pension ("CAEP"). This SIP is produced to meet the requirements of the Pensions Acts 1995 and 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's and the Department for Work & Pensions' 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 arrangement, also known as Defined Contribution, 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 contents of this SIP and the Trustees' approach to Scheme investments are guided by the Trustees' Investment Beliefs and Environmental, Social and Governance ("ESG") Strategy and the Trustees' Climate Change Governance and Reporting Framework.

The Trustees have obtained written advice from Lane Clark & Peacock LLP (the "Investment Adviser") on the CAEP investment strategies and the production of this SIP.

The Trustees would like to clarify the following terms used in this SIP: -

- **"Investment Provider"** – This refers to the role of Mobius Life Limited which provides the platform for the CAEP section investments for members.
- **"Fund manager"** – This refers to an organisation that manages an investment mandate that the Scheme invests in either directly or indirectly.

INVESTMENT OBJECTIVES

The Trustees' key objectives are to enable members to build up retirement savings 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 other self-select investment options.

The objective of the default investment strategy (Cushon Core) is to provide a long term net return objective equal to the Consumer Prices Index ("CPI") plus 3.5% per annum over rolling 5-year periods in the growth phase, with gradual automatic switching into lower risk investments over the 7-year period up to the Scheme's Normal Retirement Age ("NRA") or alternative member selected target retirement age (known as "lifestyling"). During the de-risking, or pre-retirement, phase Cushon Core has a long term net return objective equal to CPI plus 1.5% per annum over rolling 5-year periods.



The objective of the other self-select options is to accommodate members who decide the Cushon Core default investment strategy 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.

RISKS

The Trustees are required to assess the investment risks to the Scheme's assets, including the ways in which risks are to be measured and managed. 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 other investment options to allow members to invest at different 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 Cushon Core default investment strategy the Trustees have included automatic investment risk reduction for members approaching NRA or alternative member selected target retirement age.

In addition the Trustees have made available other 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 Cushon Core default investment strategy to target gradual income drawdown at the Scheme member's Normal Retirement Date or alternative member selected target retirement date, but have made other 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 savings over time. The Trustees measure inflation in line with the increase in the Consumer Prices Index ("CPI"), as set by the Office for National Statistics, and monitor the returns of the Cushon Core default investment strategy and the other self-select investment options against CPI.



Climate Change Risk

This is the risk that the Scheme's investments are adversely affected by the impact of climate change and includes physical risks, such as rising sea levels and extreme weather conditions, as well as transitional risks resulting from actions taken to limit global temperature increases, such as new legislation and changes in consumer behaviours. The Trustees will measure these risks in various ways including monitoring metrics such as carbon emissions and net zero commitments by the Fund Managers, as well as conducting scenario analysis.

Fund Manager Risk

This is the risk that a given Fund Manager fails to meet the agreed mandate for the investment. The performance of the Fund Managers 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.

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 & Manager.

The Trustees have set the default investment strategy and also the other 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 another option.



The Default Investment Strategy

The default investment strategy is Cushon Core (see Appendix 1 for full details) and is designed to be appropriate for a typical Scheme member with a clearly defined retirement age and an “average” attitude to risk.

The Trustees have defined that average members with more than 7 years to Normal Retirement Age, or alternative member selected target retirement age (the “Growth Phase”): “are comfortable taking some risk with the expectation of better returns over the longer term. They accept that they will be exposed to some volatility. However, they expect to diversify their investments to balance the risk and would not want to invest more than 90% in stocks and shares”.

Cushon Core targets a long term net return of CPI plus 3.5% per annum over rolling 5 year periods in the Growth Phase. The Growth Phase is the period up to 7 years from NRA or alternative member Selected Target Retirement Age (“TRA”). During the Growth Phase members are invested 90% in the CPT Cushon Global Equity Core fund and 10% in the CPT Cushon Global Bonds Core fund. For members with less than 7 years to NRA/TRA, Cushon Core gradually reduces the level of investment risk so that at NRA/TRA the member is invested in a portfolio suitable for pension drawdown at retirement. At retirement Cushon Core is invested 50% in the CPT Cushon Global Equity Core fund, 25% in the CPT Cushon Global Bonds Core fund, 15% in the CPT Cushon Inflation Linked Government Bonds Core fund and 10% in the CPT Cushon Sterling Cash Core fund. This approach is reviewed on an ongoing basis to ensure the final pre-retirement phase of de-risking remains appropriate for the membership and the experience of how members choose to take their benefits at retirement.

Cushon Core may not be the most suitable option for members who retire before or after their NRA/TRA, or wish to draw their benefits using a method other than income drawdown.

Self-Select Investment Options

The Trustees are aware that Cushon Core may not be appropriate for all members. The Trustees have therefore made other investment options available on a self-select basis. The self-select 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 self-select 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 2.

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 following 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



In relation to both the Default and Self-Select strategies the Trustees have sought to minimise Operational 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 and agreements for professional services received. The Investment Provider is also assessed based on its independent financial strength ratings.

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

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

GOVERNANCE

The Trustees of the Scheme have overall responsibility for the investment of the Scheme assets but do not take day-to-day investment decisions. 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 their 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 Provider and Fund Managers
- Make ongoing decisions relevant to the operational principles of the Scheme's investment strategy

Investment Adviser

- Advises on all aspects of the governance and investment of the Scheme's assets, including the implementation of investment decisions
- Negotiation of fee terms and contractual terms
- Advises on this SIP
- Ensures that it delivers advice that is compliant with the relevant regulations, including Section 36 of the Pensions Act 1995 (as amended in 2004) and relevant requirements of the Financial Conduct Authority, and considers The Pension Regulator's guidance on investments

Investment Provider & Fund Managers

- Operate within the terms of this SIP and their written contracts and agreements

Scheme Administrator

- Administrative and operational liaison with the Investment Provider
- Scheme secretarial and reporting liaison with the Investment Provider



The Trustees expect the Investment Provider and Fund Managers to manage the assets delegated to them under the terms of their contracts and/or agreements and to give effect to the principles in this SIP as far as is reasonably practicable. Where that is not reasonably practical the Trustees expect the Investment Provider to explain why that is not the case.

The Trustees accept that the assets are subject to the Investment Provider's and Fund Managers' own corporate governance policies. However, the Trustees expect the Investment Provider and Fund Managers 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 Provider's and Fund Managers' policies are monitored on a regular basis.

DAY-TO-DAY MANAGEMENT OF ASSETS

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

The Fund Managers' 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 Provider through written contracts and agreements. When choosing investments, the Trustees are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). The Fund Managers' duties also include voting and corporate governance in relation to the Scheme's assets.

Investment Provider and Fund Manager Incentivisation

The Investment Provider and Fund Managers are remunerated on a percentage charge basis related to the amount of assets under management. The Trustees believe that this incentivises the Investment Provider and Fund Managers 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.

Portfolio Turnover Costs

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 at least annually to ensure it remains within an acceptable range and expect to engage with the Fund Managers if it falls outside of that range.
- The Trustees will request details of the portfolio turnover costs for each of the investment mandates on an annual basis from the Fund Managers to assist them with their assessment. If portfolio turnover costs are not available the Trustees will refer to the overall transaction costs data for each mandate for their assessment.
- Portfolio turnover costs will also inform the Trustees' decisions on the retention and selection of each investment mandate.

The Scheme assets are invested via a Trustee Investment Plan ("TIP") insurance contract with the Investment Provider Mobius Life Limited. The Investment Provider invests in pooled collective investment funds, other unitised life funds via reinsurance agreements, and direct investments managed in a segregated portfolio by an investment manager appointed by the Investment



Provider. The Investment Provider has appointed a Custodian to hold the direct investments on its behalf.

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

The Trustees' contract and agreements with the Investment Provider are open ended with the aim of developing a long term partnership that provides the best member outcomes. However, if the Investment Provider and/or Fund Managers fail to meet required standards in key areas during the year the Trustees, with the assistance of their Investment Adviser, will engage with the relevant party or parties to seek to rectify any issues. If the Investment Provider or Fund 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 Provider or Fund Manager, subject to contractual notice periods.

REALISATION OF ASSETS

The Trustees delegate the realisation of assets as required, following member requests on retirement or other circumstances defined in the Scheme rules, to the Scheme administrator, based on certain pre-agreed criteria. In selecting assets the Trustees consider the liquidity of the investments in the context of the likely needs of members.

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 and opportunities when reviewing the Scheme's investment strategy and in the selection and retention of their Investment Provider and Fund Managers.

- The Trustees will include ESG considerations, including climate change, in the selection and retention of 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 NRA for members.

The Trustees believe that the primary driver of long term investment returns is asset allocation (as opposed to individual stock/investment selection). The Trustees have a preference for passive index tracking underlying investment management utilising pooled funds.

The expectation is that passive management reduces the risk of significant underperformance relative to the market being tracked and minimises investment costs with the aim of maximising value for money for members.

However, the Trustees recognise that there are circumstances where passively tracking whole market indices may not be in the best interests of members. The Trustees therefore accept that some of the Scheme's investments will be invested on a partially or fully active basis, or track adjusted non-whole market indices.

When selecting new Scheme funds available to members, the Trustees will consider the ESG policies adopted by the Fund Managers.



- The Investment Adviser will review the ESG and Stewardship policies of the Fund Managers and report the results to the Trustees at least annually and take those issues into consideration in the selection and retention of the Fund Managers with the aim of improving the outcomes for members, especially in the longer term.
- The Trustees will also engage with the 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 review the above activities on at least an annual basis.
- The Trustees will aim to review this ESG investment policy on an annual basis and at least every three years.
- The Trustees will review compliance with the ESG investment policy on an annual basis and report this to members. In doing so the Trustees, with the assistance of their Investment Adviser, will consider all invested funds.

Climate Change

The Trustees support the goals of the Paris Agreement and have made the following commitments: -

- **ZeroByFifty** – For the Scheme to achieve net zero status on carbon emissions for all member investments under management by 2050
- **FiftyByThirty** – For the Scheme to achieve a 50% reduction on carbon emission for all member investments under management by 2030

In support of these commitments the Trustees expect the Fund Managers to report relevant climate-related metrics and voting and stewardship activities on at least an annual basis.

In addition the Trustees produce an annual Climate Change Report in line with the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (the “Regulations”), which are based on the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) reporting requirements. The latest Climate Change Report is published on the Scheme website (www.creativebenefits.co.uk/creative-pension-trust/about).

Voting and stewardship

The Trustees strongly support engagement activity, including the use of voting rights, to manage ESG and other investment risks and opportunities, with an appropriate level of positive and/or negative screening of underlying investments.

The Trustees expect the Investment Provider and the Fund Managers to adhere to the UK Stewardship Code and for the Fund Managers to be signatories to the Principles for Responsible Investment (“PRI”) Association (or equivalent principles and/or codes), or explain why if they are not.

The Trustees, or their Investment Adviser on their behalf, will consider how any 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 rely on the voting and engagement policies of the Fund Managers. However, the Trustees, or their Investment Adviser on their behalf, issue a formal letter to all of the Scheme Fund Managers setting out their stewardship priorities as detailed below along with their expectations of the Fund Managers in relation to those priorities and other stewardship and ESG



considerations. The Fund Managers are requested to acknowledge receipt of that letter and the Trustees' stewardship priorities and/or raise any concerns.

The Trustees, or their Investment Adviser on their behalf, will monitor compliance with the above on at least an annual basis.

The Trustees expect the Investment Provider to issue an annual stewardship report, or explain the reasons why it has not done so, and the Trustees will review that report to identify any areas of concern.

The Trustees' selection and retention criteria and engagement activities in relation to the Fund Managers are expected to influence the Fund Managers in their voting and engagement activities with individual investee companies to improve returns and/or reduce risks for members, especially in the longer term.

The Trustees expect the Fund Managers to provide examples of those activities on at least an annual basis, or explain why such activity has not been undertaken.

The Trustees monitor the Fund Managers' activities in relation to ESG factors, voting and engagement at least annually with the assistance of their Investment Adviser. The Trustees seek to understand how the Fund Managers are implementing their stewardship policies in practice to check that their stewardship is effective and aligned with the Trustees' expectations.

The Trustees have selected stewardship priorities to provide a focus for their monitoring of Fund Managers' voting and engagement activities. At the date of this Statement those priorities are: -

- Climate Change
- Equality, Diversity & Inclusion
- Corporate Behaviour

The primary fiduciary management requirement of the Trustees is to provide members with appropriate levels of net risk adjusted investment returns. The above stewardship priorities have been selected as the Trustees believe they form an integral part of managing that requirement.

ESG issues including the above stewardship priorities present investment, and other, risks that are potentially avoidable and therefore must be considered to manage the level of risk to which members are exposed. The Trustees believe the above stewardship priorities are currently likely to have the most significant impact on risk adjusted returns for members compared with other ESG considerations.

The Trustees review the above priorities regularly and update them when appropriate. The Trustees communicate these stewardship priorities to the Investment Provider and Fund Managers as well as confirming their more general expectations in relation to ESG factors, voting and engagement.

If the Trustees' monitoring identifies areas of concern they, or their Investment Adviser on their behalf, will engage with the Investment Provider and/or relevant Fund Manager to encourage improvements. The Trustees will set objectives and target dates for any formal engagement review progress, and have an escalation process which they will follow if progress is unsatisfactory.

The Trustees expect their Investment Adviser to check adherence to the UK Stewardship code in relation to the Fund Managers, as well as reviewing and collating information on the use of voting rights and engagement activities on at least an annual basis with the assistance of the Investment Provider.



Capital Structure

- The Trustees expect the Investment Provider and Fund Managers to monitor the capital structure of investee companies.
- The Trustees expect the Fund Managers to vote and engage on the capital structure of investee companies to reduce risks and/or improve returns.
- The Trustees expect the Investment Provider and/or Fund Managers to provide evidence of that activity on at least an annual basis or explain why that is not available.

Investment Provider & Fund Managers Engagement

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 Provider and Fund Managers. Additional engagement may take the form of additional meetings and communications between the Investment Provider and/or Fund Managers and the Trustees, although the Trustees may delegate this to their Investment Adviser on their behalf.

Conflicts of Interest

- In their dealings with the Investment Provider and Fund Managers, the Trustees and their Investment Adviser will disclose any actual or potential conflicts of interest.
- The Trustees expect the Investment Provider and Fund Managers to disclose to the Trustees any actual or potential conflicts of interest in relation to their dealings with relevant Fund Managers and any actual or potential conflicts of interest arising for those 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.

Non-Financial Factors

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. The Trustees, with the assistance of their Investment Adviser, review feedback from members and take that into consideration in relation to the management of the Scheme's investment strategy.

The Trustees recognise that some members may prioritise ethical or religious concerns over other investment considerations and as such, following advice from their Investment Adviser, have made a number of suitable funds available (see Appendix 2 for further details).

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

Illiquid Assets

Illiquid assets means assets of a type which cannot easily or quickly be sold or exchanged for cash and where assets are invested in a collective investment scheme, includes any such assets held by the collective investment scheme.

Cushon Core does not currently include illiquid assets. The Trustees believe that long-term net risk-adjusted investment returns may be improved by investing in illiquid assets. However, illiquid



assets in Defined Contribution pension scheme investment strategy design is a relatively new and developing area, where there are a number of risks with these types of investments and typically a higher cost of investment. Therefore, at this time, it is the Trustees' policy not to allocate to illiquid assets within the Cushon Core default investment strategy. However, with the support of their Investment Adviser, the Trustees intend to further consider investment in illiquid assets when reviewing the default investment strategy in future.

MONITORING

The Trustees will monitor compliance with the SIP annually and produce an Implementation Statement to detail that process.

- The Trustees, or their Investment Adviser on their behalf, will issue the SIP and any subsequent updates to the Investment Provider and the Fund Managers and will expect the Investment Provider and Fund Managers to comply with the terms of the SIP or explain any deviation as soon as practically possible.
- The Trustees will then assess any deviations and determine any appropriate actions to be taken to address those. The results will be reported in the annual Implementation Statement.

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 on 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 Creative Pension Trust

Roger Mattingly (Chair)

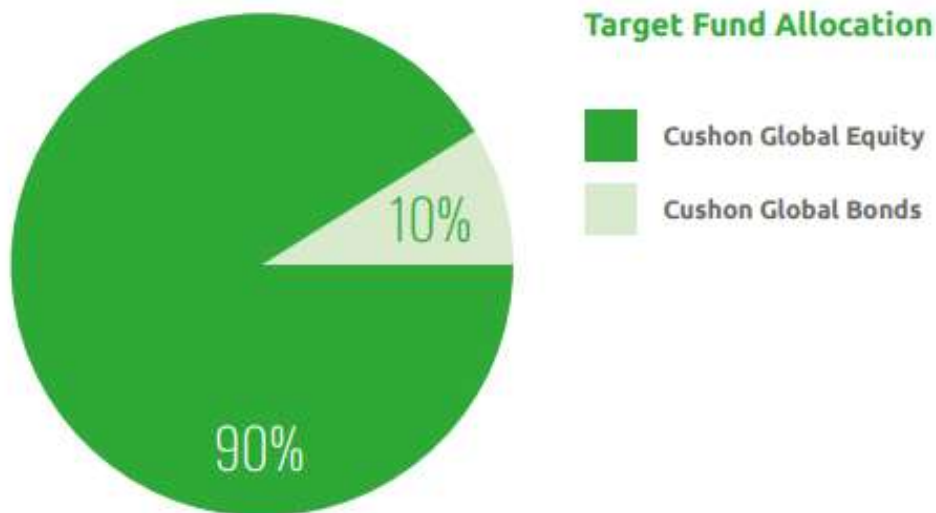
April 2024



APPENDIX 1 – Cushon Core (Default Investment Strategy)

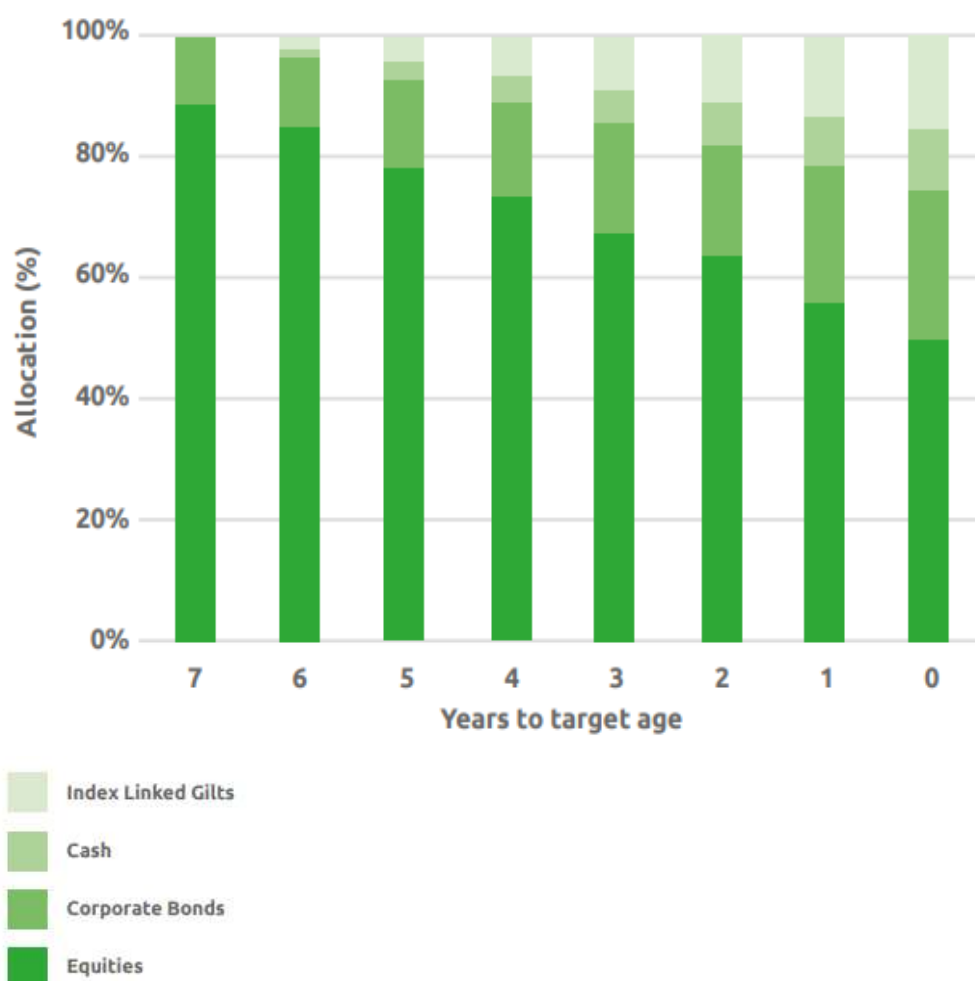
The charts below show how the Cushon Core default investment strategy will be invested at key landmarks leading up to a member's Normal Retirement Age, or alternative member selected target retirement age ("TRA"). The target split of investment between the different underlying funds, asset classes and actual percentage holdings within Cushon Core may vary or be changed over time to better suit market conditions and try to ensure the best possible overall outcome and balance of risk for members.

Growth Phase



Pre-retirement Phase





In order to achieve the above asset allocation Cushon Core assets are invested in underlying funds that are blended to provide the required investment split as follows: -

Fund	Underlying Fund	Asset class	Target Allocation in Growth Phase	Target Allocation at NRA/TRA
CPT Cushon Global Equity Core	Macquarie True Index	Global Equities	90%	50%
CPT Cushon Global Bonds Core	Wellington Global Impact Bond	Global Corporate Bonds	2.5%	6.25%
	Lombard Odier TargetNetZero Global IG Corporate	Global Corporate Bonds	2.5%	6.25%
	LGIM Future World GBP Corporate Bond Index	Corporate Bonds	1.8%	4.5%
	Ninety One Global Target Return Credit	Multi Asset Credit	3.2%	8%
Cushon Inflation Linked Government Bonds Core	LGIM Over 5 Year Index-Linked Gilts	Government Bonds	-	15%
Cushon Sterling Cash Core	LGIM Cash	Money Market	-	10%

Below the investment objectives of the underlying funds are listed.



Fund	Investment Objective
CPT Cushon Global Equity Core	The Fund aims to provide long-term capital growth through an investment allocation to Global equity securities.
CPT Cushon Global Bonds Core	The Fund aims to provide long-term investment growth through an investment allocation to Global fixed income securities.
CPT Cushon Inflation Linked Government Bonds Core	The Fund aims to provide long-term investment return through an investment allocation to inflation linked government bonds.
CPT Cushon Sterling Cash Core	The Fund aims to provide returns in line with short term deposits.

April 2024



Appendix 2 – Self-Select Funds

The self-select options allow members to choose from a selection of funds based on their own attitude to risk, term to retirement and investment objectives. The funds made available to members are set out below.

Fund	Underlying Fund	Investment Objective
CPT Cushon Sustainable Global Equity	LGIM Future World Global Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to Global equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Sustainable UK Equity	LGIM Future World UK Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to UK equity securities which exhibit positive environmental, Social and Governance characteristics.
CPT Cushon Sustainable Europe (ex UK) Equity	LGIM Future World Europe (ex UK) Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to Europe (ex UK) equity securities which exhibit positive Environmental, Social and Governance characteristics
CPT Cushon Sustainable Japanese Equity	LGIM Future World Japan Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to Japanese equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Sustainable North American Equity	LGIM Future World North American Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to North American equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Sustainable Pacific ex Japan Equity	LGIM Future World Asia Pacific (ex Japan) Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to Asia Pacific (ex Japan) equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Sustainable Emerging Market Equity	LGIM Future World Emerging Markets Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to Emerging Markets equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Fixed Interest Gilts	LGIM All Stocks Gilt Index	The Fund aims to provide long-term investment return through an investment allocation to UK fixed interest gilt securities.
CPT Cushon Index-Linked Gilts	LGIM All Stocks Index-Linked Gilts Index	The Fund aims to provide long-term investment return through an investment allocation to UK index-linked gilt securities.
CPT Cushon Sustainable UK Corporate Bonds	LGIM Future World GBP Corporate Bond Index	The fund aims to provide diversified exposure to the GBP corporate bond markets which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Cash	LGIM Cash	The Fund aims to provide returns in line with short term deposits.



CPT Cushon Shariah	HSBC Islamic Global Equity Index	The Fund aims to provide long-term capital growth by investing in securities of a range of companies listed across the globe whilst meeting Islamic investment principles.
CPT Cushon Global Impact	Baillie Gifford Positive Change	The Fund aims to provide long-term capital growth through an investment allocation to Global equity securities which exhibit positive change.

Please note that the underlying funds and investment objectives may be changed over time.

April 2024



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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 and BESTrustees Limited (Company No. 02671775) of 1 Cornhill, London, EC3V 3ND. The scheme is sponsored by Creative Auto Enrolment Limited (Company No. 8554978), trading as Creative. Registered office: 250 Bishopsgate, London, EC2M 4AA.

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Statement of Investment Principles

Creative Workplace Pension | April 2024



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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"), as Trustees of Creative Pension Trust (the "Scheme") in consultation with Creative Auto-Enrolment Ltd (the "Scheme Sponsor & 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 comply with the requirements to maintain and take advice on the SIP and with disclosure requirements whilst also taking account of The Pensions Regulator's and the Department for Work & Pensions' 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 arrangement, also known as Defined Contribution, 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 contents of this SIP and the Trustees' approach to Scheme investments is guided by the Trustees' Investment Beliefs and Environmental, Social and Governance ("ESG") Strategy and the Trustees' Climate Change Governance and Reporting Framework.

The Trustees have obtained written advice from Lane Clark & Peacock LLP (the "Investment Adviser") on the CWP investment strategies and the production of this SIP.

The Trustees would like to clarify the following terms used in this SIP: -

- **"Investment Provider"** – This refers to the role of Mobius Life Limited which provides the platform for the CWP section investments for members.
- **"Fund manager"** – This refers to an organisation that manages an investment mandate that the Scheme invests in either directly or indirectly.

2. INVESTMENT OBJECTIVES

The Trustees' key objectives are to enable members to build up retirement savings 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 default investment strategies as well as other self-select investment options.

The objective of the primary default investment strategy (Cushon Core) is to provide a long term net return objective equal to the Consumer Prices Index ("CPI") plus 3.5% per annum over rolling 5-year periods in the growth phase, with gradual automatic switching into lower risk investments over the 7-year period up to the Scheme's Normal Retirement Age ("NRA") or alternative member selected target retirement age (known as "lifestyling"). During the de-risking, or pre-retirement, phase Cushon Core has a long term net return objective equal to CPI plus 1.5% per annum over rolling 5-year periods.



The Cushon Target Age Funds, including the Cushon Retirement Ready are also a deemed default investment strategy following the transfer of members' savings into the strategy. However, please note that members not already invested in the Cushon Target Age Funds are not able to select this alternative default investment strategy.

The objective of the Target Age Funds is also to provide a long term net return objective equal to the CPI plus 3.5% per annum over rolling 5-year periods in the growth phase, with gradual automatic switching into lower risk investments over the 7-year period up to the Scheme's NRA or alternative member selected target retirement age. During the de-risking, or pre-retirement, phase the Target Age Funds have a long term net return objective equal to CPI plus 1.5% per annum over rolling 5-year periods.

The objective of the other self-select options is to accommodate members who decide the Cushon Core default investment strategy or Cushon Target Age Funds are 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 the ways in which risks are to be measured and managed. 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 default investment strategies that are aimed to match the majority of expected members' attitude to risk. However, the Trustees have also made available other investment options to allow members to invest at different 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 Cushon Core and Cushon Target Age Funds default investment strategies the Trustees have included automatic investment risk reduction for members approaching NRA or alternative member selected target retirement age.

In addition, the Trustees have made available other 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 Cushon Core default investment strategy to target gradual income drawdown at the Scheme member's NRA or alternative member selected



target retirement age, but have made other self-select options available to members to allow them to manage the timing and form of their retirement benefits in alternative ways.

The Trustees have designed the Cushon Target Age Funds default investment strategy to target gradual income drawdown at the target year for each fund.

Inflation Risk

Inflation reduces the purchasing power of savings over time. The Trustees measure inflation in line with the increase in the CPI, as set by the Office for National Statistics, and monitor the returns of the Cushon Core and Cushon Target Age Funds default investment strategies and the other investment options against CPI.

Climate Change Risk

This is the risk that the Scheme's investments are adversely affected by the impact of climate change and includes physical risks, such as rising sea levels and extreme weather conditions, as well as transitional risks resulting from actions taken to limit global temperature increases, such as new legislation and changes in consumer behaviours. The Trustees will measure these risks in various ways including monitoring metrics such as carbon emissions and net zero commitments by the Fund Managers, as well as conducting scenario analysis.

Fund Manager Risk

This is the risk that a given Fund Manager fails to meet the agreed mandate for the investment. The performance of the Fund Managers 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).

Please note that the Trustees have established a liquidity management policy, in conjunction with their Investment Provider and the Cushon Group (of which the Scheme Sponsor & Manager is part), for any illiquid holdings held within the Scheme.

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.

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 & Manager.

The Trustees have set the default investment strategies and also other investment options that members can self-select. If a member does not make any investment selection, they will be automatically invested in the Cushon Core default investment strategy until or unless they self-select another option. However, members previously invested in the ML Retirement Age and ML Retirement Ready funds have been automatically invested in the equivalent Cushon Target Age Funds unless they self-select another option.

The Default Investment Strategies

The main default investment strategy is Cushon Core (see Appendix 1 for full details) and is designed to be appropriate for a typical Scheme member with a clearly defined retirement age and an “average” attitude to risk.

The Trustees have defined that average members with more than 7 years to Normal Retirement Age, or alternative member selected target retirement age (the “Growth Phase”): “are comfortable taking some risk with the expectation of better returns over the longer term. They accept that they will be exposed to some volatility. However, they expect to diversify their investments to balance the risk and would not want to invest more than 90% in stocks and shares”.

Cushon Core targets a long term net return of CPI plus 3.5% per annum over rolling 5-year periods. The Growth Phase is the period up to 7 years from NRA or alternative member selected Target Retirement Age (“TRA”). During the Growth Phase members are invested 90% in the CPT Cushon Global Equity Core fund and 10% in the CPT Cushon Global Bonds Core fund. For members with less than 7 years to NRA/TRA they are invested in a portfolio suitable for pension drawdown at retirement. At retirement Cushon Core is invested 50% in the CPT Cushon Global Equity Core fund, 25% in the CPT Cushon Global Bonds Core fund, 15% in the CPT Cushon Inflation Linked Government Bonds Core fund and 10% in the CPT Cushon Sterling Cash Core fund. This approach is reviewed on an ongoing basis to ensure the final pre-retirement phase of de-risking remains appropriate for the membership and the experience of how members choose to take their benefits at retirement.

As referred to previously in this SIP, following a transfer of members’ savings, the Cushon Target Age Funds (see Appendix 2 for further details) are now also deemed to be a default investment strategy. The Cushon Target Age Funds target a long term net return of CPI plus 3.5% per annum over rolling 5-year periods. The Growth Phase is the period up to 7 years from the start of the target year. During the Growth Phase members are invested 75% in the CPT Cushon Global Equity fund, 10% in the CPT Cushon Global Bonds fund and 15% in the CPT Cushon Multi Asset Growth fund. For members with less than 7 years to the start of the target year they are invested in a portfolio suitable for pension drawdown at retirement. From the start of the target year the Cushon Target Age Funds are invested 50% in the CPT Cushon Multi Asset Growth fund, 25% in



the CPT Cushon Global Bonds fund, 15% in the CPT Cushon Inflation Linked Government Bonds fund and 10% in the CPT Cushon Sterling Cash fund. In June of the target year members' savings are transferred from the relevant Cushon Target Age Fund into the Cushon Retirement Ready fund which is also part of the Cushon Target Age Funds default investment strategy. This approach is reviewed on an ongoing basis to ensure the final pre-retirement phase of de-risking remains appropriate for the membership and the experience of how members choose to take their benefits at retirement.

Cushon Core may not be the most suitable option for members who retire before or after their NRA/TRA, or wish to draw their benefits using a method other than through drawdown.

The Cushon Target Age Funds may not be the most suitable option for members who retire before or after the target year, or wish to draw their benefits using a method other than through drawdown. Please note that the Cushon Target Age Funds are not available to select for members not already invested.

Self-Select Investment Options

The Trustees are aware that Cushon Core and the Cushon Target Age Funds may not be appropriate for all members. The Trustees have therefore made other investment options available on a self-select basis. The self-select 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 self-select 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 3.

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 following 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

In relation to both the Default and Self-Select strategies, the Trustees have sought to minimise Operational 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 and agreements for professional services received. The Investment Provider is also assessed based on its independent financial strength ratings.

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

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



5. GOVERNANCE

The Trustees of the Scheme have overall responsibility for the investment of the Scheme assets but do not take day-to-day investment decisions. 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 strategies on a regular basis
- Monitor the Investment Provider and Fund Managers
- Make ongoing decisions relevant to the operational principles of the Scheme's investment strategy

Investment Adviser

- Advises on all aspects of the governance and investment of the Scheme's assets, including the implementation of investment decisions
- Negotiation of fee terms and contractual terms
- Advises on this SIP
- Ensures that it delivers advice that is compliant with the relevant regulations, including Section 36 of the Pensions Act 1995 (as amended in 2004) and relevant requirements of the Financial Conduct Authority and considers the Pension Regulator's guidance on investments

Investment Provider, Fund Managers and Custodian

- Operate within the terms of this SIP and their written contracts and agreements

Scheme Administrator

- Administrative and operational liaison with the Investment Provider
- Scheme secretarial and reporting liaison with the Investment Provider

The Trustees expect the Investment Provider and Fund Managers to manage the assets delegated to them under the terms of their contract and/or agreements and to give effect to the principles in this SIP as far as is reasonably practicable. Where that is not reasonably practical the Trustees expect the Investment Provider to explain why that is not the case.

The Trustees accept that the assets are subject to the Investment Provider's and Fund Managers' own corporate governance policies. However, the Trustees expect the Investment Provider and Fund Managers 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 Provider's and Fund Managers' policies are monitored on a regular basis.



6. DAY-TO-DAY MANAGEMENT OF ASSETS

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

The Fund Managers' 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 Provider through written contracts and agreements. When choosing investments, the Trustees are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). The Fund Managers' duties also include voting and corporate governance in relation to the Scheme's assets.

Investment Provider and Fund Manager Incentivisation

The Investment Manager and Fund Managers are remunerated on a percentage charge basis related to the amount of assets under management. The Trustees believe that this incentivises the Investment Provider and Fund Managers 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.

Portfolio Turnover Costs

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 at least annually to ensure it remains within an acceptable range and expect to engage with the Fund Managers if it falls outside of that range.
- The Trustees will request details of the portfolio turnover costs for each of the investment mandates on an annual basis from the Fund Managers to assist them with their assessment. If portfolio turnover costs are not available the Trustees will refer to the overall transaction costs data for each mandate for their assessment.
- Portfolio turnover costs will also inform the Trustees' decisions on the retention and selection of each investment mandate.

Portfolio structure

The Scheme assets are invested via a Trustee Investment Plan ("TIP") insurance contract with the Investment Provider, Mobius Life Limited. The Investment Provider invests in pooled collective investment funds, other unitised life-funds via reinsurance agreements, and direct investments managed in a segregated portfolio by a Fund Manager appointed by the Investment Provider. The Investment Provider has appointed a Custodian to hold the direct investments on its behalf.

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

The Trustees' contract and agreements with the Investment Provider are open ended with the aim of developing a long term partnership that provides the best member outcomes. However, if



the Investment Provider and/or Fund Managers fail to meet required standards in key areas during the year the Trustees, with the assistance of their Investment Adviser, will engage with the relevant party or parties to seek to rectify any issues. If the Investment Provider or Fund 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 Provider or Fund Manager, subject to contractual notice periods.

7. REALISATION OF ASSETS

The Trustees delegate the realisation of assets as required, following member requests on retirement or other circumstances defined in the Scheme rules, to the Scheme administrator based on certain pre-agreed criteria. 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 and opportunities when reviewing the Scheme’s investment strategy and in the selection and retention of their Investment Provider and Fund Managers.

- The Trustees will include ESG considerations, including climate change, in the selection and retention of 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 that as the median average term to the Scheme’s NRA for members.

The Trustees believe that the primary driver of long term investment returns is asset allocation (as opposed to individual stock/investment selection). The Trustees have a preference for passive index tracking underlying investment management utilising pooled funds.

The expectation is that passive management reduces the risk of significant underperformance relative to the market being tracked and minimises investment costs with the aim of maximising value for money for members.

However, the Trustees recognise that there are circumstances where passively tracking whole market indices may not be in the best interests of members. The Trustees therefore accept that some of the Scheme’s investments will be invested on a partially or fully active basis, or track adjusted non-whole market indices.

When selecting new Scheme funds available to members, the Trustees will consider the ESG policies adopted by the Fund Managers.

- The Investment Adviser will review the ESG and Stewardship policies of the Fund Managers and report the results to the Trustees at least annually and take those issues into consideration in the selection and retention of the Fund Managers with the aim of improving the outcomes for members, especially in the longer term.
- The Trustees will also engage with the 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 review the above activities on at least an annual basis.



- The Trustees will aim to review this ESG investment policy on an annual basis and at least every three years.
- The Trustees will review compliance with the ESG investment policy on an annual basis and report this to members. In doing so the Trustees, with the assistance of their Investment Adviser, will consider all invested funds.

Climate Change

The Trustees support the goals of the Paris Agreement and have made the following commitments: -

- **ZeroByFifty** – The target for the Scheme to achieve net zero status on carbon emissions for all member investments under management by 2050.
- **FiftyByThirty** – The target for the Scheme to achieve a 50% reduction on carbon emission for all member investments under management by 2030.

In support of these commitments the Trustees expect the Fund Managers to report relevant climate-related metrics and voting and stewardship activities on at least an annual basis.

In addition the Trustees produce an annual Climate Change Report in line with the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (the “Regulations”), which are based on the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) reporting requirements. The latest Climate Change Report is published on the Scheme website (www.creativebenefits.co.uk/creative-pension-trust/about).

Voting and stewardship

The Trustees strongly support engagement activity, including the use of voting rights, to manage ESG and other investment risks and opportunities, with an appropriate level of positive and/or negative screening of underlying investments.

The Trustees expect the Investment Provider and the Fund Managers to adhere to the UK Stewardship Code and for the Fund Managers to be signatories to the Principles for Responsible Investment (“PRI”) Association (or equivalent principles and/or codes), or explain why if they are not.

The Trustees, or their Investment Adviser on their behalf, will also consider how any 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 rely on the voting and engagement policies of the Fund Managers. However, the Trustees, or their Investment Adviser on their behalf, issue a formal letter to all of the Scheme Fund Managers setting out their stewardship priorities as detailed below along with their expectations of the Fund Managers in relation to those priorities and other stewardship and ESG considerations. The Fund Managers are requested to acknowledge receipt of that letter and the Trustees’ stewardship priorities and/or raise any concerns.

The Trustees, or their Investment Adviser on their behalf, will monitor compliance with the above on at least an annual basis.

The Trustees expect the Investment Provider to issue an annual stewardship report, or explain the reasons why it has not done so, and the Trustees will review that report to identify any areas of concern.



The Trustees' selection and retention criteria and engagement activities in relation to the Fund Managers are expected to influence the Fund Managers in their voting and engagement activities with individual investee companies to improve returns and/or reduce risk for members, especially in the longer term.

The Trustees expect the Fund Managers to provide examples of those activities on at least an annual basis, or explain why such activity has not been undertaken.

The Trustees monitor Fund Managers' activities in relation to ESG factors, voting and engagement at least annually with the assistance of their Investment Adviser. The Trustees seek to understand how the Fund Managers are implementing their stewardship policies in practice to check that their stewardship is effective and aligned with their expectations.

The Trustees have selected stewardship priorities to provide a focus for their monitoring of Fund Managers' voting and engagement activities. At the date of this Statement those priorities are: -

- Climate Change
- Equality, Diversity & Inclusion
- Corporate Behaviour

The primary fiduciary management requirement of the Trustees is to provide members with appropriate levels of net risk adjusted investment returns. The above stewardship priorities have been selected as the Trustees believe they form an integral part of managing that requirement.

ESG issues including the above stewardship priorities present investment, and other, risks that are potentially avoidable and therefore must be considered to manage the level of risk to which members are exposed. The Trustees believe the above stewardship priorities are currently likely to have the most significant impact on risk adjusted returns for members compared with other ESG considerations.

The Trustees review the above priorities regularly and update them when appropriate. The Trustees communicate these stewardship priorities to the Investment Provider and Fund Managers as well as confirming their more general expectations in relation to ESG factors, voting and engagement.

If the Trustees' monitoring identifies areas of concern they, or their Investment Adviser on their behalf, will engage with the Investment Provider and/or relevant Fund Manager to encourage improvements. The Trustees will set objectives and target dates for any formal engagement review progress, and have an escalation process which they will follow if progress is unsatisfactory.

The Trustees expect their Investment Adviser to check adherence to the UK Stewardship code in relation to the Fund Managers, as well as reviewing and collating information on the use of voting rights and engagement activities on at least an annual basis with the assistance of the Fund Managers.

Capital Structure

- The Trustees expect the Investment Provider and Fund Managers to monitor the capital structure of investee companies.
- The Trustees expect the Fund Managers to vote and engage on the capital structure of investee companies to reduce risks and/or improve returns.



- The Trustees expect the Investment Provider and/or Fund Managers to provide evidence of that activity on at least an annual basis or explain why that is not available.

Investment Provider & Fund Managers Engagement

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 Provider and Fund Managers. Additional engagement may take the form of additional meetings and communications between the Investment Provider and/or Fund Managers and the Trustees, although the Trustees may delegate this to their Investment Adviser on their behalf.

Conflicts of Interest

- In their dealings with the Investment Provider and Fund Managers, the Trustees and their Investment Adviser will disclose any actual or potential conflicts of interest.
- The Trustees expect the Investment Provider and Fund Managers to disclose to the Trustees any actual or potential conflicts of interest in relation to their dealings with relevant Fund Managers and any actual or potential conflicts of interest arising for those 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.

Non-Financial Factors

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. The Trustees, with the assistance of their Investment Adviser, review feedback from members and take that into consideration in relation to the management of the Scheme's investment strategy.

The Trustees recognise that some members may prioritise ethical or religious concerns over other investment considerations and as such, following advice from their Investment Adviser, have made a number of suitable funds available (see Appendix 3 for further details).

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

9. Illiquid assets

Illiquid assets means assets of a type which cannot easily or quickly be sold or exchanged for cash and where assets are invested in a collective investment fund, includes any such assets held by the collective investment fund.

Cushon Core does not currently include illiquid assets. The Trustees believe that long-term net risk-adjusted investment returns may be improved by investing in illiquid assets. However, illiquid assets in Defined Contribution pension scheme investment strategy design is a relatively new and developing area, where there are a number of risks with these types of investments and typically, a higher cost of investment. Therefore, at this time, it is the Trustees' policy not to allocate to illiquid assets within the Cushon Core default investment strategy.

The Cushon Target Age Funds include an allocation to the Schroders Capital Climate + Long Term Assets Fund ("LTAF") via the Cushon Multi-Asset Growth fund. The illiquid investments are held via a collective investment scheme. The Schroders Capital Climate + LTAF is a multi-asset fund



which invests in a range of illiquid assets such as real estate and infrastructure. All the members invested in the Cushon Target Age Funds, including the Cushon Retirement Ready fund, will hold investments in illiquid assets.

10. MONITORING

The Trustees will monitor compliance with this SIP annually and produce an Implementation Statement to detail that process.

- The Trustees, or their Investment Adviser on their behalf, will issue the SIP and any subsequent updates to the Investment Provider and Fund Managers and will expect the Investment Provider and Fund Managers to comply with the terms of the SIP or explain any deviation as soon as practically possible.
- The Trustees will then assess any deviations and determine any appropriate actions to be taken to address those. The results will be reported in the annual Implementation Statement.

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 on 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)

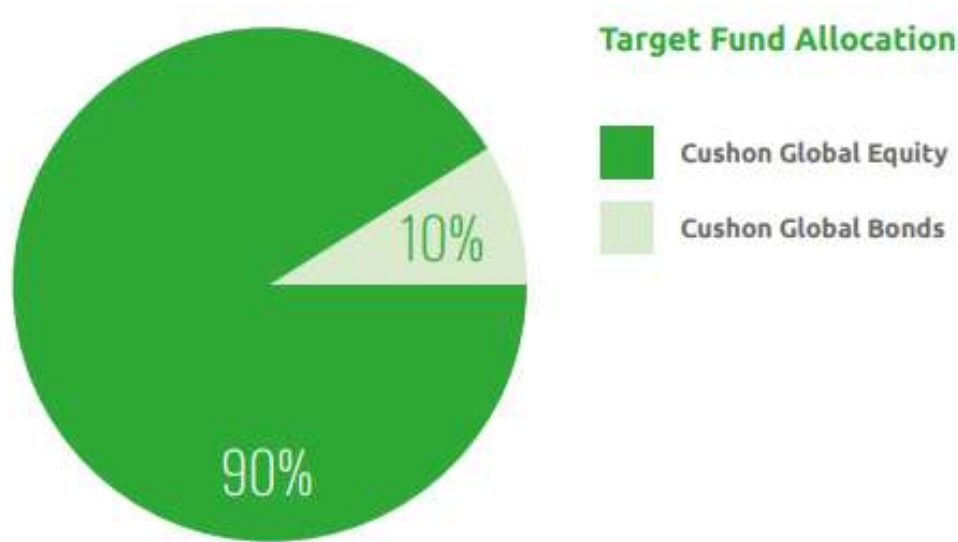
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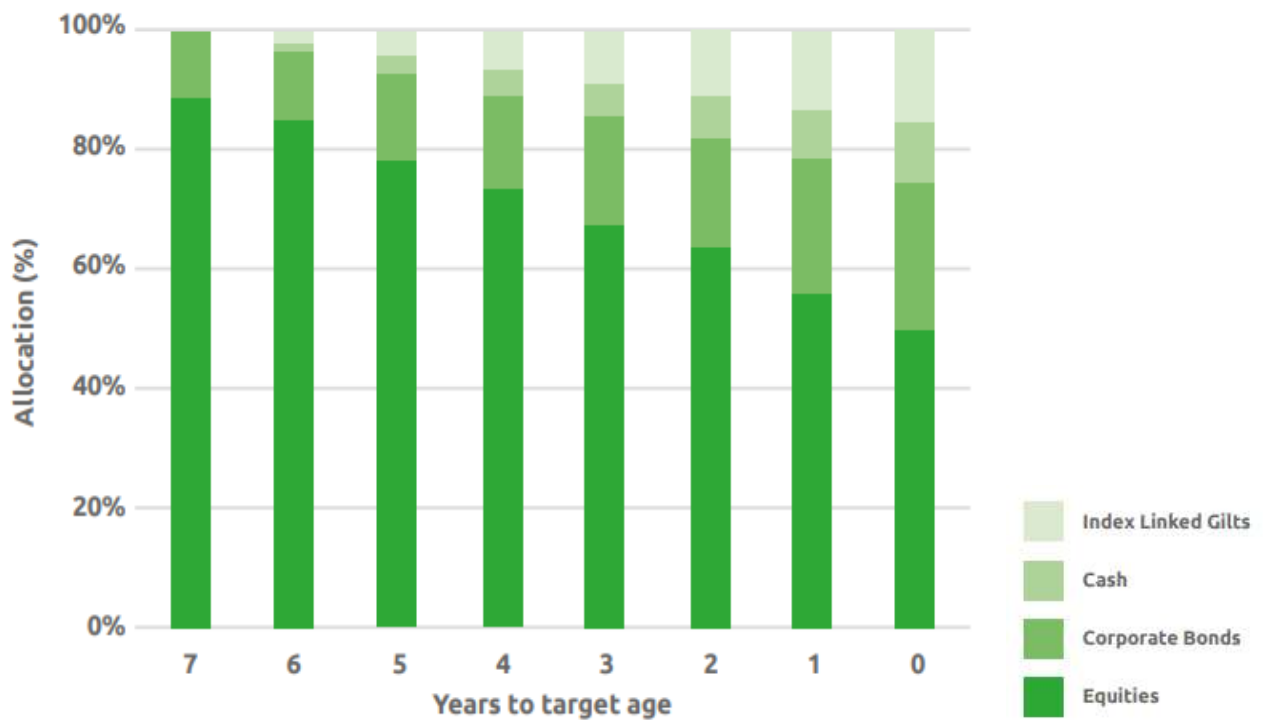
APPENDIX 1 – Cushon Core (Default Investment Strategy)

The charts below show how the Cushon Core default investment strategy will be invested at key landmarks leading up to a member’s Normal Retirement Age, or alternative member selected target retirement age (“TRA”). The target split of investment between the different underlying funds, asset classes and actual percentage holdings within Cushon Core may vary or be changed over time to better suit market conditions and try to ensure the best possible overall outcome and balance of risk for members.

Growth Phase



Pre-retirement Phase



In order to achieve the above asset allocation Cushon Core assets are invested in underlying funds that are blended to provide the required investment split as follows: -

Fund	Underlying Fund	Asset class	Target Allocation in Growth Phase	Target Allocation at NRA/TRA
CPT Cushon Global Equity Core	Macquarie True Index	Global Equities	90%	50%
CPT Cushon Global Bonds Core	Wellington Global Impact Bond	Global Corporate Bonds	2.5%	6.25%
	Lombard Odier TargetNetZero Global IG Corporate	Global Corporate Bonds	2.5%	6.25%
	LGIM Future World GBP Corporate Bond Index	Corporate Bonds	1.8%	4.5%
	Ninety One Global Target Return Credit	Multi Asset Credit	3.2%	8%
Cushon Inflation Linked Government Bonds Core	LGIM Over 5 Year Index-Linked Gilts	Government Bonds	-	15%
Cushon Sterling Cash Core	LGIM Cash	Money Market	-	10%

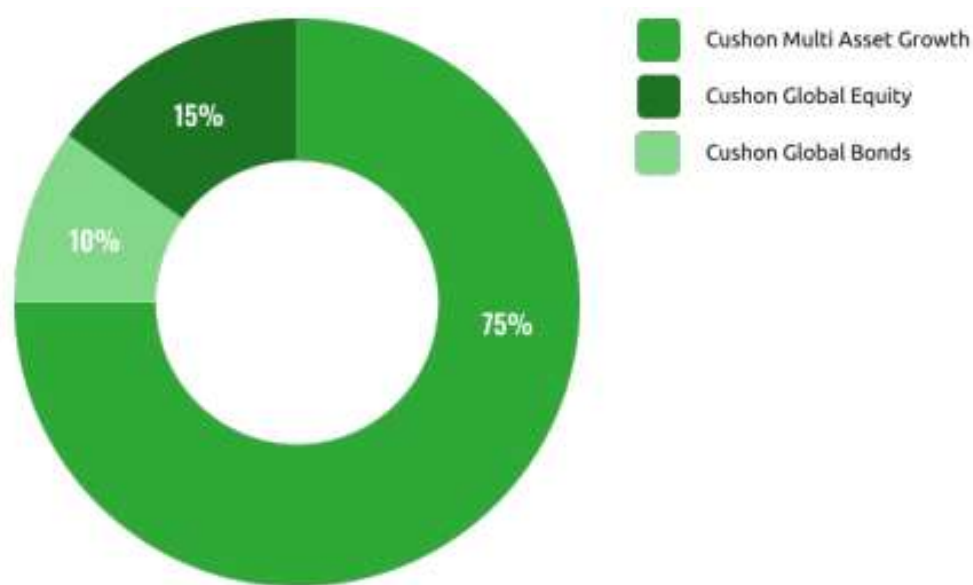
Below the investment objectives of the underlying funds are listed.

Fund	Investment Objective
CPT Cushon Global Equity Core	The Fund aims to provide long-term capital growth through an investment allocation to Global equity securities.
CPT Cushon Global Bonds Core	The Fund aims to provide long-term investment growth through an investment allocation to Global fixed income securities.
CPT Cushon Inflation Linked Government Bonds Core	The Fund aims to provide long-term investment return through an investment allocation to inflation linked government bonds.
CPT Cushon Sterling Cash Core	The Fund aims to provide returns in line with short term deposits.

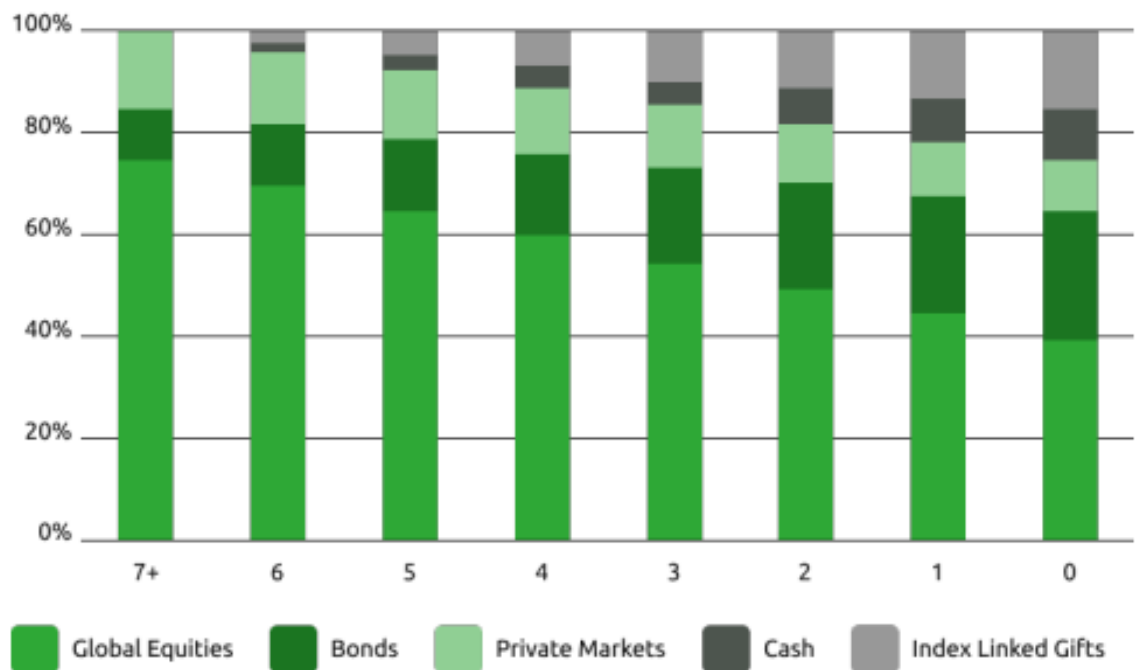
April 2024

APPENDIX 2 – Cushon Target Age Funds (Default Investment Strategy – Existing Members Only)

The Cushon Target Age Funds invest in many of the same funds as Cushon Core but include an allocation to the Cushon Multi-Asset Growth fund.



In order to achieve the above asset allocation the Cushon Target Age Funds are invested in underlying funds that are blended to provide the required investment split as follows: -



In order to achieve the above asset allocation Cushon Target Age Funds are invested in underlying funds that are blended to provide the required investment split as follows:

Fund	Underlying Fund	Asset class	Target Allocation in Growth Phase	Target Allocation at NRA/TRA
Cushon Global Equity	Macquarie True Index	Global Equities	15%	0%
Cushon Multi-Asset Growth	Macquarie True Index	Global Equities	60%	40%
	Schroders Capital Climate +	Multi-Asset (including illiquids)	15%	10%
Cushon Global Bonds	Wellington Global Impact Bond	Global Corporate Bonds	2.5%	6.25%
	Lombard Odier TargetNetZero Global IG Corporate	Global Corporate Bonds	2.5%	6.25%
	LGIM Future World GBP Corporate Bond Index	Corporate Bonds	1.8%	4.5%
	Ninety One Global Target Return Credit	Multi Asset Credit	3.2%	8%
Cushon Inflation Linked Government Bonds	LGIM Over 5 Year Index-Linked Gilts	Government Bonds	-	15%
Cushon Sterling Cash	LGIM Cash	Money Market	-	10%

Below the investment objectives of the underlying funds are listed

Fund	Investment Objective
Cushon Global Equity	The Fund aims to provide long-term capital growth through an investment allocation to Global equity securities.
Cushon Multi-Asset Growth	The Fund aims to provide long-term capital growth through an investment allocation to predominately Global equity securities, alongside a diversified allocation to a range of asset classes.
Cushon Global Bond	The Fund aims to provide long-term investment growth through an investment allocation to Global fixed income securities.
Cushon Inflation Linked Government Bonds	The Fund aims to provide long-term investment return through an investment allocation to inflation linked government bonds.
Cushon Sterling Cash	The Fund aims to provide returns in line with short term deposits.

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APPENDIX 3 – SELF-SELECT FUNDS

The self-select options allow members to choose from a selection of funds based on their own attitude to risk, term to retirement and investment objective. The funds made available to members are set out below:

Fund	Underlying Fund	Investment Objective
CPT Cushon Sustainable Global Equity	LGIM Future World Global Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to Global equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Sustainable UK Equity	LGIM Future World UK Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to UK equity securities which exhibit positive environmental, Social and Governance characteristics.
CPT Cushon Sustainable Europe (ex UK) Equity	LGIM Future World Europe (ex UK) Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to Europe (ex UK) equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Sustainable Japanese Equity	LGIM Future World Japan Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to Japanese equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Sustainable North American Equity	LGIM Future World North American Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to North American equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Sustainable Pacific ex Japan Equity	LGIM Future World Asia Pacific (ex Japan) Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to Asia Pacific (ex Japan) equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Sustainable Emerging Market Equity	LGIM Future World Emerging Markets Equity Index	The Fund aims to provide long-term capital growth through an investment allocation to Emerging Markets equity securities which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Fixed Interest Gilts	LGIM All Stocks Gilt Index	The Fund aims to provide long-term investment return through an investment allocation to UK fixed interest gilt securities.
CPT Cushon Index-Linked Gilts	LGIM All Stocks Index-Linked Gilts Index	The Fund aims to provide long-term investment return through an investment allocation to UK index-linked gilt securities.
CPT Cushon Sustainable UK Corporate Bonds	LGIM Future World GBP Corporate Bond Index	The Fund aims to provide diversified exposure to the GBP corporate bond markets which exhibit positive Environmental, Social and Governance characteristics.
CPT Cushon Cash	LGIM Cash	The Fund aims to provide returns in line with short term deposits.

CPT Cushon Shariah	HSBC Islamic Global Equity Index	The Fund aims to provide long-term capital growth by investing in securities of a range of companies listed across the globe whilst meeting Islamic investment principles.
CPT Cushon Global Impact	Baillie Gifford Positive Change	The Fund aims to provide long-term capital growth through an investment allocation to Global equity securities which exhibit positive change.

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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 and BESTrustees Limited (Company No. 02671775) of 1 Cornhill, London, EC3V 3ND. The scheme is sponsored by Creative Auto Enrolment Limited (Company No. 8554978), trading as Creative. Registered office: 250 Bishopsgate, London, EC2M 4AA.

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