creative pension trust

part of the Cushon group

INTRODUCING... YOUR NEW TARGET AGE FUND

Our enhanced investment approach for your Creative Workplace Pension plan.

Understanding how your pension pot is invested today.

Today, your pension pot with us is invested in a Target Date Fund. A Target Date Fund manages your money in a way that's tailored to the time left until your retirement. This approach aims to grow your savings especially when you're younger. As you approach retirement, the way your money is managed automatically shifts to focus on preserving your savings.

Our new Target Age Funds offer a greener approach to building your nest egg.

How is your Target Date Fund changing?

A new range of investments has been introduced for our members to choose from. You can learn more by reading your Investment Choices Guide, which you can download from the **Creative Pension Trust Member Portal.**

Members who have been wholly invested in one or more of our existing Target Date Funds will automatically be moved to our new and enhanced Target Age Funds. These funds work similarly but offer some key additional benefits:

1. **They provide greater diversification** – Your new fund will allow for a wider range of investments in future. By doing this, you are more likely to see consistent investment returns over the longer term because your money is spread across different kinds of investment, reducing the risk of big ups and downs.
2. **They focus on growing your pension pot for longer** – your pension pot will be invested to grow until 7 years before the target year. Once you are within 7 years of this, your investments will gradually shift each year to investments aimed at preserving the pension pot you've built up.
3. **They reduce the impact your pension has on the environment** – through careful design, the investments we will use in the growth phase of our Target Age Funds:

   *- Deliver a 60% reduction in scope 1 and 2 CO2e emissions**

   *- Are committed to achieving an 80% reduction in CO2e emissions by 2030**

   *- Reduce exposure to oil and gas by 90%**

   - Are investing in companies that contribute towards climate solutions

Your existing Fund Management Charge of 0.75% will not change

*compared to equivalent investments that do not take their impact on our climate into account

Understanding Your New Target Age Fund

Each Target Age Fund is titled after its intended retirement year. For instance, the Cushon 2030 Target Age Fund is designed for members planning to retire around 2030. These funds are offered in five-year intervals.

Our experts formulate an investment plan based on your age and the number of years to your retirement date (stated in the fund name). The aim is to maximize growth over time.

In the early years, the goal of your Target Age Fund is to increase your savings, also known as the growth phase. As you get within 7 years of your target age, the way your fund is managed starts to adjust automatically, a phase we refer to as the glidepath. The aim is to begin safeguarding your pension from significant market fluctuations.

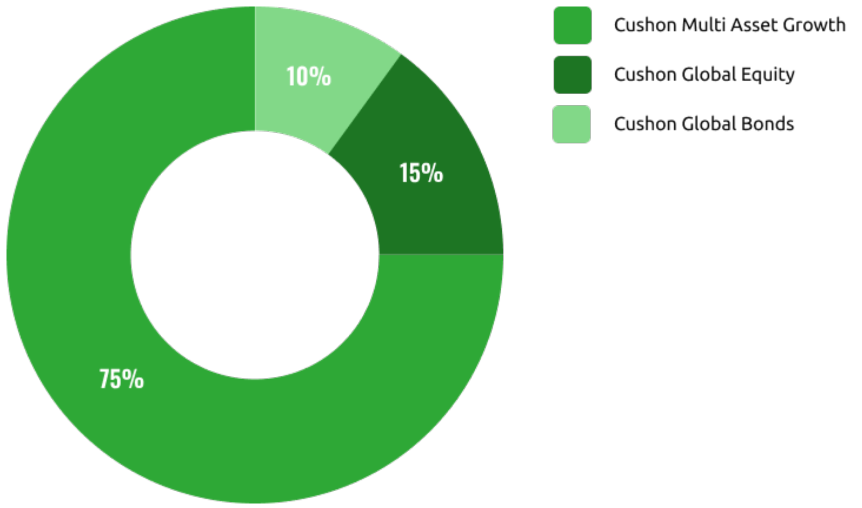
To find out which Target Age Fund you're invested in, log into the Creative Pension Trust Member Portal. Click on 'Your Pension' and then 'Manage Investment' on the left menu. Your fund will be displayed under the 'Your current investment allocation' section.

Growth phase – target investments

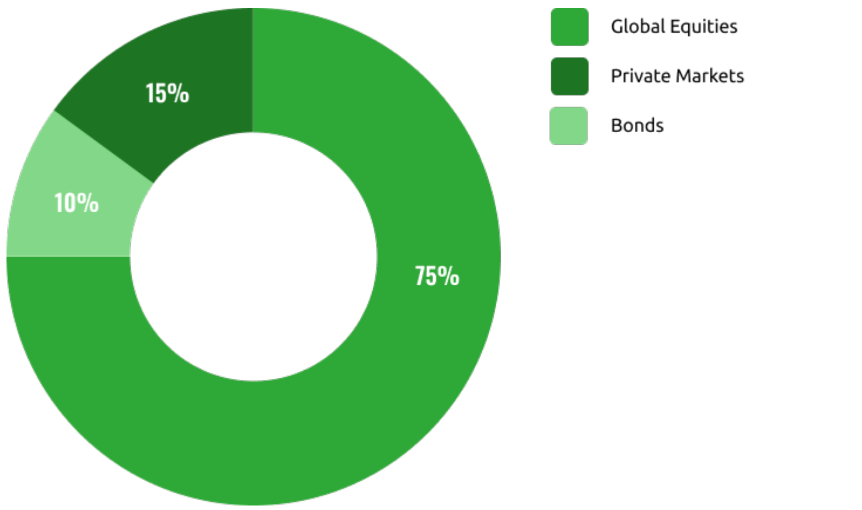
Until 7 years before your retirement, your pension will be invested in a diverse mix of global stocks, bonds, and private market investments. These investments are chosen for their potential long-term growth.

We also take into account how these investments positively impact the environment, people, and society. This is called 'responsible investing' and is a key feature of our Target Age Funds. Our investment managers are chosen for their strong support of these considerations. Your money will be invested across 3 funds:

Investment fund allocation



Target asset allocation



Glidepath phase - target investments

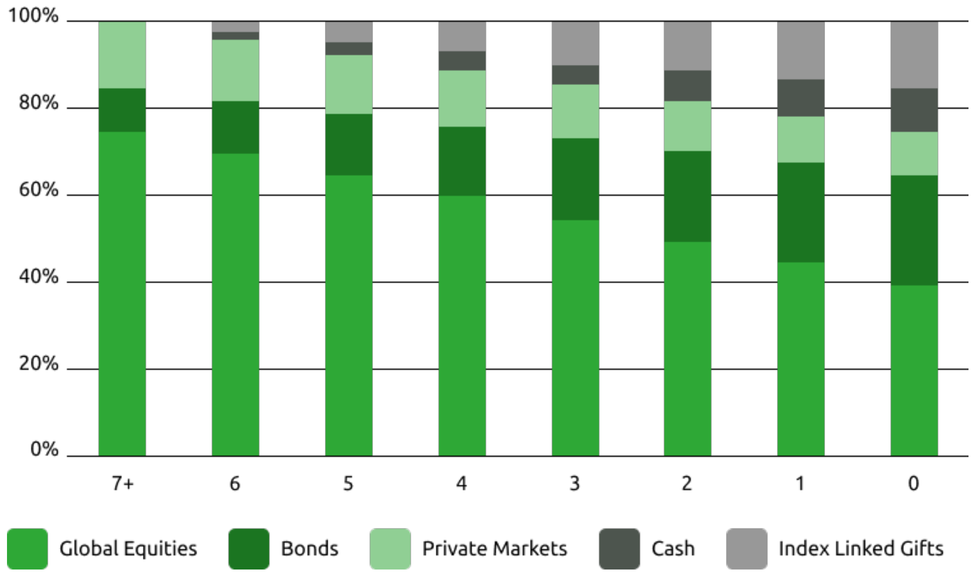
Once you're 7 years away from your desired retirement date, we will begin making adjustments to the way your money is invested. The goal is to safeguard the value of your pension pot from major fluctuations in the market.

Once you reach your desired retirement date, your pension will still contain a diverse range of global equities, private markets, bonds, government bonds, and cash. This is a safer blend of investments meant to continue providing modest growth.

There are no guarantees, and the value of your pension pot can still go down as well as up at any point, but this should help avoid any larger ups and downs in investment markets.

The chart below illustrates the changes made to your pension's investments during the seven-year adjustment period leading up to your desired retirement date.

How your investments change towards your Target Age



Risk Warnings

When you invest, there are always associated risks that you need to be aware of.

Investment risk:

This is the risk that the value of your pension may go down as well as up. As with all investments, you may get back less than you paid in.

It's important to remember that your pension value can go down as well as up, even as you get closer to your Target Age.

We will automatically move some of your investments to ones that are considered more cautious as you get closer to your Target Age to help protect the value of your pension from the bigger ups and downs in investment markets. However, we cannot offer any guarantees.

Liquidity risk:

This is the risk that some investments cannot be sold as quickly as others.

To give your pension the opportunity to grow for the long term, we invest in a range of different types of assets. These include assets known as 'private market' investments, which means they are not listed on regulated markets, such as stock exchanges. For example, this may include investments in physical assets like housing, infrastructure, energy production and natural capital.

This means some of your pension investments will be less 'liquid' than others, meaning they cannot be bought and sold as quickly as traditional investments like stocks and shares. Whilst this makes them suitable for supporting the long-term growth of your pension, it also means there may be, on very limited occasions, a waiting period imposed on cashing in your pension e.g. transferring your pension or taking your pension in one lump sum at short notice.

Investment objective risk:

This is the risk that your Target Age Fund might not meet its investment objectives which could mean your savings outcomes are not realised.

Your Target Age Fund has been designed to meet the needs of most of our members who have invested in our Target Date Funds, but this doesn't mean that they are suitable for your particular savings goals or that they will meet their objectives. It's important that you review your investments to make sure they align with your future plans.

Financial guidance and advice:

Your choice of pension investments can have a big effect on your pot value at retirement. If you are in any doubt about which fund is right for you, you should speak to a financial adviser.

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