Chair's Statement of Governance and Assessment of Value for Members

6 April 2022 to 5 April 2023

Dear Members,

On behalf of the Crystal Trust (Crystal) Trustee, I am pleased to present this year's Chair's Statement, which provides you with insight as to how we are striving to improve and meet our aim of ensuring Crystal is well run and provides value for our Members.

The Trustee is required to make this statement and present you with certain information as required by the Regulator. One of the key areas of focus for the Trustee is the default investment arrangements. A thorough review of the default strategies and performance is undertaken each year by both the Trustee and the Investment Committee. The review focusses on the extent of which the return on investments relating to the default strategies is consistent with the Trustee's aims and objectives in respect of a default strategy (as recorded in the default Statement of Investment Principles (SIP)). You can read more about the review in section 11.1.1.

The assessment of the costs and charges levied by Crystal versus the quality of investments, governance and administration which are delivered also continues to be a key area of focus and impacts the overall Value for Members offered by Crystal. You can read more on this in section 12.6.

There is a requirement for schemes to calculate and state the return on investments from their default strategies and self-select funds, net of transaction costs and charges. This information is shown in section 12.6.1.

In terms of Investments, the Trustee is required to publish a legal and regulatory compliant report setting out how it is managing climate risks within Crystal. The second regulatory Taskforce on Climate-related Financial Disclosures (TCFD) report for Crystal is available here. This is, in fact, our third TCFD report as the Trustee made the decision to publish a pre-regulatory report for the period ending 31 March 2021, showing our commitment to the issues faced by the threat of climate change. We acknowledge that climate-related risks and opportunities ("CRRO") will have a material impact on the Scheme's investments and believe that our actions can play a part in mitigating these risks. As Trustee, we take this oversight role very seriously and have promoted this view throughout the Scheme.

If you have any questions on this annual Chair's Statement or require further information, please do not hesitate to contact the Administrator, Evolve, by emailing: penadmin@evolvepensions.co.uk.

Samantha Pitt

Samantha Pitt

Chair of the Crystal Trustee

1. What is the Chair's Statement of Governance?

The annual Statement of Governance was introduced as a legal requirement under The Occupational Pension Schemes (Charges and Governance) Regulations 2015. This statement has been prepared in accordance with the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the "Administration Regulations"). The Trustee believes understanding the value provided to Members by Crystal has been integral to the decision making and discussions to date.

This Statement covers the period 6 April 2022 through to 5 April 2023 (the period) and assesses the costs and charges levied by Crystal versus the quality of investments, governance and administration which are delivered.

A number of the requirements of the Administration Regulations referred to in this statement relate to the "default arrangement", as defined in the Administration Regulations. This Statement will specifically provide all details in line with the Administration Regulations' requirements for default arrangements.

Crystal's primary default arrangement (i.e., the default applicable to the majority of Crystal's Members when they join) is LGIM's Lifestyle Strategy (Lifestyle Strategy), with an alternative default of AllianceBernstein's (ABs) Target Date Funds (TDFs) for the Bluesky and Crystal 40 (where chosen by the Employer) sections. Crystal operates a number of different sections and details of the default that applies to each section are explained within sections 10 and 12.

As reported last year, during the period, a number of other defaults were operated for specific sections, and these have subsequently been changed to the Lifestyle strategy. Further details can be found in section 11.

Regulations, which came into force on 6 April 2018, require additional information in relation to investment charges and core transaction costs to be reported in the Chair's Statement, which is then made available online to Members. Further regulations introduced in October 2021 require the Chair's Statement to report on the 'net return on investments' for the default arrangements and self-select funds that Members are invested in during the period. This information can be found within sections 12.1.2 to 12.1.3, 12.3 to 12.3.7 and 12.6.1.

2. Who is the Trustee?

2.1 The Trustee Board

During the period, Crystal was governed by the Crystal Trustee Company Limited.

The structure of the Trustee Board is comprised of a Chair, one Employer representative (which is appointed by Scotland's Electrical Trade Association (SELECT)), one Unite the Union representative, and independent professional appointments. Evolve as Crystal's Sponsor, appointed the Crystal Trustee Company Limited as the Trustee from 18 September 2018.

The Trustee Directors responsible for Crystal during the period were and still are*:

Samantha Pitt – Professional Trustee (Chair) (appointed 16 June 2021)

Chair of the Crystal Trustee Company, Samantha has varied experience within the industry; she is a professional Trustee at Law Debenture, Chair of the FCA Master Trust, holds a number of other Trustee appointments (including six as chair), has a strong commercial and financial understanding of running a pension scheme and a high level of knowledge regarding investments and risk management that she has previously gained in her Corporate Treasury and Corporate Finance career. Samantha also demonstrates a strong knowledge of ESG and climate change from exposure in her roles within the DC pensions industry. Additionally, she is a qualified accountant and an Association of Professional Pension Trustees (APPT) accredited Trustee.

Michael Clark – Professional appointment*

Michael Clark was an independently appointed pensions professional up to 9 February 2023. Michael founded Clark Benefit Consulting (CBC), an independent company providing professional trusteeship and secretariat services, which was acquired by Ross Trustees in August 2022. Michael has spent more than 30 years of his working career in the pension services sector working in a variety of roles. Michael is a Fellow of the Pensions Management Institute, Member of the Chartered Management Institute and a Fellow of the Institute of Learning and Management. Michael was the first Pensions Management Institute (PMI) fully accredited professional Trustee.

*Michael's official appointment term ended on 7 January 2023 after being a Trustee Director for a period of 3 years. After full consideration by Evolve Pensions Limited (Evolve), as the Sponsoring Employer, the decision was made not to renew Michael's position as Trustee Director, and he was subsequently removed with effect from 9 February 2023.

Kim Gubler – Professional appointment

Kim Gubler is an independently appointed pensions professional, she is a Fellow of the Pensions Management Institute and completes the annual CPD requirements in order to maintain this status. She runs her own business, KGC associates Ltd, an independent Management and Pensions Consultancy. She is Chair of PASA which requires her to liaise with government bodies and industry regarding administration matters. Additionally, she is a Board Sponsor to a number of key PASA Working Groups. Kim is a fully accredited professional Trustee with the PMI.

Bhavna Kumar – Professional appointment

Bhavna Kumar has over 20 years of experience in the pensions industry. She has been a professional independent trustee for a number of years and prior to that, was a Scheme Actuary. In 2019, Bhavna established Align Pension Ltd along with two other individuals. As a wholly director owned business, Align Pensions Ltd provides independent pension trustee and advisory services. Bhavna works with a range of schemes including defined benefit, defined contribution and hybrid schemes and has experienced the full range of pension scheme matters. Bhavna is an accredited independent professional trustee with the Association of Professional Pension Trustees (APPT) and is a fully qualified Member of the Institute and Faculty of Actuaries.

John McGhee - Employer appointed

John McGhee is Association Secretary and Director of Finance and Operations of SELECT, he is a Member of the Chartered Institute of Management Accounts and a Chartered Global Management Accountant. He is also the Company Secretary for Scottish Electrical Contractors Insurance Ltd which requires him to be an FCA/PRA Approved person. His key strengths lie in compliance, finance, and commercial consideration.

John Neal – Union appointed

John Neal is Unite the Union's National Pensions Officer, providing support and advice to Unite Members and officers on collective issues relating to pensions matters. He has held a Trustee position on the Unite Pension Scheme for 9 years and is a Member of the Unite Pension Scheme Investment Committee, where he has led the Board on ESG matters. John is also a Scheme Advisory Board (SAB) Member for the Local Government Pension Scheme and NHS Pensions Scheme, and a Joint Superannuation Committee Member for the Civil Service Pension Scheme. Additionally, John is a Non-Executive Director of People's Partnership Ltd and a Member of the Trade Unions Share Owners group (TUSO). He holds the PMI Retirement Provision Certificate, a Diploma in Retirement Provision and is an accredited Professional Trustee with the PMI. John also has expertise in pension legislation and investments.

2.2 Trustee Director Appointment and Suitability

The constitution of the Trustee is monitored by the Scheme Secretary to ensure it continues to meet 'fit and proper' requirements and individual and collective competency levels. The Scheme Secretary notifies the Trustee of any changes in legislation which may require a review of the constitution of the Trustee.

A Trustee Director has a 3-year term of appointment which can be extended for an additional term, subject to Trustee and Sponsor approval. This is also subject to the rules around non-affiliated Trustees being met, whereby Trustee Directors can be treated as non-affiliated if they have not exceeded the maximum term of 5 years in a single period, or up to a maximum of 10 years in total. If there is a gap of more than 5 years between appointments, the previous appointment is effectively ignored, and the Trustee Director can be appointed for a further 5-year term (see section 2.3).

Evolve has the power to appoint the Trustee with the appointment of Crystal Trustee Company Limited (the Trustee) made by the Evolve Board. The Trustee Company's Articles of Association also give appointment powers to the ECA and Unite the Union, of which the ECA allow SELECT to nominate a candidate.

The ECA/SELECT and Unite the Union are provided with the Trustee Recruitment and Standards Policy and the Trustee Responsibilities document, which outlines the requirements and criteria of a successful candidate. Both documents are sent to the representatives of each party by the Scheme Secretary. The Scheme Secretary ensures the latest version of the documents are available. The ECA advertise the Trustee vacancy to their Member representatives.

Unite the Union advertise the Trustee vacancy to active employees of Unite. During the recruitment process, the existing directors from Unite will invite nominations via email to current employees. If no more than one nomination is received for any vacancy, then the nominated Member will be appointed without further process, provided they meet the criteria as outlined in the Trustee Responsibilities document. If the number of nominations exceeds the number of vacancies, then the nominees shall be interviewed by the current Directors and selected.

The experience, knowledge and qualifications of any prospective candidate is then assessed to see if relevant and if so, the candidate is proposed to the Evolve Company Board, Scheme Secretary and Head of Governance at Evolve.

The Trustee and Evolve operate an open and transparent process for the appointment of an independent professional Trustee Director position (including Trustee Chair), which is detailed below.

An advert for the role of an independent professional Trustee Director is placed on LinkedIn and shared by staff at Evolve. Additionally, the advert is also placed in various pensions publications and also sent to Professional Trustee Companies to attract potential candidates. If the response is considered positive, with a number of appropriate, potential candidates received, it can be decided no other means of advertising for the position is necessary.

Each potential candidate's CV is reviewed by the Head of Governance, alongside the Director of Strategy at Evolve who will decide if an interview should be conducted. Interviews are carried out by a Member of the Executive Team and Head of Governance at Evolve.

Once the interviews are conducted a recommendation is put to the current Trustee Chair for consideration. The final recommendation will then be presented to the Evolve Company Board, who will formally appoint the candidate as a Trustee Director, subject to all Fit and Proper requirements being fulfilled. In the event that the vacancy is for the Trustee Chair, and the existing Chair had already left their post, then the recommendation would be presented directly to the Evolve Company Board. Again, the appointment would be subject to the candidate fulfilling the Fit and Proper requirements.

In the event a Trustee Director vacancy comes up within 6 months of any new non-affiliated/professional Trustee Director appointment (including the Chair), all the shortlisted candidates that were not chosen in respect of the last Trustee Director appointment will be contacted to see if they are still available for a Trustee Director position. No further interviews will be required but may be arranged if considered appropriate.

Additionally, an affiliated Trustee Director can be selected from Evolve. Evolve's CEO and the Trustee Chair will discuss the relevant candidates and discuss with the Director of Strategy, taking into consideration the skills required by the Trustee and the experience and skills of Evolve's Executive and Management teams. Further information on Trustee affiliation can be found in section 2.3.

Prospective Trustee Directors are provided with the Trustee Responsibilities document detailing the Trustee role and Trustee Knowledge and Understanding requirements. This is to help the potential Trustee Director realise the level of commitment required to effectively fulfil the post.

Trustee Directors must be able to attend meetings and dedicate time to go through proposed paperwork. Individuals must be aware of and be confident in completing appropriate training in order to competently succeed in the role.

Trustee suitability is initially assessed by the Scheme Secretary, with reference to all candidates' experience and completion of a Fit and Proper declaration. Full training assessments are undertaken following completion of the Trustee Director's Self-Evaluation and Trustee Assessment forms.

As stated by the Pensions Regulator (TPR), the law requires trustees are conversant with (i.e., have a working knowledge of) the documents governing their scheme. It also requires they have knowledge and understanding of pensions and trust law as applicable, and the principles of investment. The Scheme Secretary and Evolve ensure these requirements are met by the Trustee as a whole and provide training to the Trustee on different aspects of the Scheme Rules (see section 2.5 for details).

Upon appointment and annually thereafter, Trustee Directors are required to complete Self-Evaluation and Trustee Assessment forms to assess their abilities (see section 2.5 for details). The skills possessed by Trustee Directors and the competence of the Trustee Company both individually and collectively are monitored by this process and enable the Scheme Secretary to create a Training Plan which is reviewed and approved by the Trustee annually. Annual Trustee Director appraisals conducted by the Chair of Trustee and Head of Governance at Evolve support this process.

2.2.2 Committee formation

The Trustee utilises the expertise, knowledge and experience of the individual Trustee Directors to sit on various Committees that facilitate the Trustee in carrying out its role and responsibilities efficiently and effectively.

The Trustee has three Committees: Development, Investment and Operational and Compliance. Each Committee has a Terms of Reference which is reviewed at least annually, that outlines the purpose and objectives of the Committee, selection requirements, meetings, responsibilities, powers, decision making and accountability. The Members of each Committee are made up of Members of Evolve's management team and Trustee Directors based on individual strengths, expertise and interests. Each Committee provides an overview of meetings, any recommendations and decisions made at the following Trustee meeting.

The Scheme Secretary is responsible for considering the formation of the Committees and conducts the necessary Fit and Proper and background checks and assesses the appropriateness of individual Trustee Directors and Evolve representatives that sit on each Committee. This assessment and review of the Committee Members is conducted annually and a meeting between the Scheme Secretary and the Head of Governance at Evolve is held to consider the Trustee Directors and Evolve representatives to sit on each Committee. Once the recommendation is made it is proposed to the Trustee for approval at the next Trustee meeting.

The last meeting to consider the Membership of each Committee was held and minuted on 11 January 2023. In the meeting each Trustee Director's and senior Evolve individual's skills were established to be suited to one or more of the Committees and a recommendation was provided to the Trustee, who then agreed the proposed Members of the Development, Investment and Operational and Compliance Committees at the Trustee meeting on 29 March 2023.

2.3 Non-affiliated Trustee Directors

At all times, the majority of the Trustee Directors (including the Chair) must be "non-affiliated". This requirement has been met during the period to which this statement relates, as explained in more detail below:

- The Trustee has reviewed the requirements of Regulation 27(2) and Regulation 28 (of The Occupational Pension Schemes (Scheme Administration) Regulations 1996) and is satisfied that the requirement for a majority of Directors within the Crystal Trustee to be non-affiliated with any entity which provides advisory, administration, investment consultancy, or other services has been met, and therefore the constitution of the Trustee complies with the independent Trustee requirements for Master Trusts.
- To be "non-affiliated" the Trustee Director in question needs to be independent of any entity which provides advisory, administration, investment, or other services to Crystal. During the period, each of the Trustee Directors listed in section 2.1 are non-affiliated and have been assessed to be independent of any undertaking which provides advisory, administration, investment or other services in respect of Crystal, with the exception of John McGhee (details outlined below, after the 'Trustee Directors Terms table').
- Under legislation, 'non-affiliated' means that the Trustee Directors do not receive 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 the scheme Members; or
    - a payment in respect of the person's role as a Trustee Director of Crystal and have confirmed that in their Trustee Director's relationship with a service provider, if the Trustee Director's obligations to the service provider conflict with their obligations as a Trustee of Crystal, then their obligations as a Trustee will take priority in the event of a conflict.

In response to this, the Trustee has also taken into account any payments made to Trustee Directors. None of the non-affiliated Trustee Directors listed in section 2.1 has received any payment or other benefit from a service provider, other than in respect of their role as Trustee Director of Crystal.

The Trustee can confirm the Trustee Directors do not receive any payment from any of Crystal's service providers.

The current professional Trustee Directors, Samantha Pitt on behalf of LawDeb, as Chair of Trustee, Bhavna Kumar on behalf of Align Pension Ltd, and Kim Gubler, all receive a quarterly fee in arrears from Evolve as Scheme Funder in respect of their independent appointment as professional Trustee Directors. Michael Clark

also received a quarterly fee in arrears in respect of his independent appointment as a professional Trustee Director up to 9 February 2023.

There are also specific limits on how long any single Trustee Director may count as non-affiliated in relation to Crystal. As noted in section 2.3 Trustee Directors can be treated as non-affiliated if they have not exceeded the maximum term of 5 years in a single period, or up to a maximum of 10 years in total. If there is a gap of more than 5 years between appointments, the previous appointment is effectively ignored, and the Trustee Director can be appointed for a further 5-year term.

Under legislation 'affiliated' includes a trustee that:

- is a director, manager, partner or employee of an undertaking which provides advisory, administration, investment or other services in respect of Crystal (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 Director.

The Scheme Secretary documents the Crystal Trustee Board's affiliation terms within the Trustee and Supervision Timetable, which is reviewed by the Trustee at every quarterly meeting.

Details of the Trustee Directors' terms are shown in the table below:

Trustee Director	Type of App	Date of Original Appointment (Affiliation Start)	Date of Current Appointment	Term End Date	Affiliation Term Date (5 years)	Affiliation Max Term Date (10 years)
Samantha Pitt (LawDeb)	Prof/Chair	16/06/2021	16/06/2021	15/06/2024	15/06/2026	15/06/2031
John McGhee (SELECT) (Affiliated)	ECA	23/02/2015[1]	20/09/2022	19/09/2025	17/09/2023[2]	22/02/2025
John Neal	Unite	07/01/2020	07/01/2023[3]	06/01/2025	06/01/2025	06/01/2030
Micheal Clark (left 09/02/2023)	Individual Prof	07/01/2020	07/01/2020	06/01/2023	06/01/2025	06/06/2028
Kim Gubler	Individual Prof	18/09/2018	01/04/2023[4]	31/03/2024	17/09/2023	17/09/2028
Bhavna Kumar (Align Pensions)	Prof	18/08/2020	18/08/2020	17/08/2023	17/08/2025	17/08/2030

[1] Crystal was set up on 23/02/2015 and John McGhee was a Trustee of Crystal from its start date, therefore this is his date of original appointment.

[2] 5 years from the date John McGhee became director of Crystal Trustee Company (18/09/2018), and a Crystal Trustee Director.

[3] Date John Neal's current appointment started. John joined the Crystal Trustee Company as a Trustee of Crystal on 07/01/2020. The requirement to run an open and transparent selection process under the 1996 regulations therefore applies at 06/01/2025, the five year anniversary of his appointment. Under the Trust's renewal processes John's three year appointment term ended on 06/01/2023. With effect from 07/01/2023 the Evolve board decided to extend John's appointment term until at least 06/01/2025. For the avoidance of doubt, the decision to extend John's term at 07/01/2023 was made under the Trust's renewal processes and was not designed to qualify as an "open and transparent" process under the regulations, because the five year point had not been reached.

[4]Date Kim Gubler's current appointment started. Kim joined the Crystal Trustee Company as a Trustee of Crystal on 18/09/2018, with a very short gap in early 2020. The requirement to run an open and transparent selection process under the 1996 regulations therefore applies at 17/09/2023, the five year anniversary of her original appointment. Under the Trust's renewal processes Kim's most recent three year appointment term started on 01/04/2023, running to 31/03/2024. With effect from 01/04/2023 the Evolve Board decided to extend Kim's appointment term until at least 17/09/2023. For the avoidance of doubt, the decision to extend Kim's term at 01/04/2023 was made under the Trust's renewal processes and was not designed to qualify as an "open and transparent" process under the regulations, because the five year point had not been reached.

In conclusion, during the period, the Trustee Directors are each non-affiliated, as defined in regulation 27(8) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996, with the exception of John McGhee.

John McGhee is the longest standing Trustee Director and has been with Crystal since its inception on 23 February 2015. John provides a fountain of historical knowledge of Crystal, and he has helped shape what Crystal is today.

John was also a Director on the Evolve Board from 8 August 2013 until 1 April 2020, where he stepped down to concentrate on his role as Trustee Director for Crystal at a time when it had grown substantially.

Due to John's appointment on the Evolve Board, he remains considered an affiliated Trustee until 5 years after his Evolve Board appointment end date. i.e., 1 April 2025. John's status will be kept under review after his Evolve Board appointment end date.

2.3.1 Appointment of non-affiliated Trustee Directors

During the period no new non-affiliated Trustee Directors were appointed.

2.4 Trustee Directors' Fitness and Propriety

Trustee effectiveness reviews (which are described in sections 2.4 and 2.5) are undertaken annually to ensure the individuals running Crystal continue to be of the highest calibre to ensure good outcomes for Members.

Trustee suitability is initially assessed by the Scheme Secretary with reference to all candidates' experience and completion of the Fit and Proper declaration, as explained below. The Scheme Secretary ensures this is met every time a Trustee Director resigns, and a new Trustee Director is appointed.

The Trustee documents its Fit and Proper requirements in a Fitness and Propriety Policy which is reviewed and approved annually by the Operational and Compliance Committee, on behalf of the Trustee.

Trustee Fit and Proper requirements are assessed by the Scheme Secretary in line with the Fitness and Propriety Policy. Prior to appointment and on an annual basis thereafter, Trustee Directors are required to sign a formal Fit and Proper declaration which confirms that they:

- Are not / have not been subject to a bankruptcy order, bankruptcy restrictions order, bankruptcy interim order or an award of sequestration.
- Are not / have not been or are not likely to be subject to a county court judgment (CCJ) or individual voluntary arrangement (IVA).
- Have not been or are not likely to be served a bankruptcy petition or applied for a bankruptcy order.
- Are not / have not been disqualified from acting as a director.
- Are not / have not been a director, partner or part of the management of any business which has gone into insolvency, liquidation or administration.
- Are not / have not been involved in tax fraud, abuse of tax repayment systems or other fraudulent behaviour including misrepresentation and/or identity theft.
- Have not participated in or been connected with designing and/or marketing tax avoidance schemes.
- Have not been employed as an adviser for a person who has been involved in pension liberation or tax avoidance
- Are not / have not been disqualified from acting as a trustee in any capacity.
- Do not have any unspent criminal convictions.
- Have not been notified of any potential criminal proceedings.
- Have not been subject to any adverse judgments or settlements in civil proceedings.
- Are not / have not been under investigation or subject to disciplinary action by any regulatory authority, government agency or professional body.
- Have not had any action taken against them, restrictions applied, permissions or licences removed by any regulatory authority, government agency or professional body.
- Have not been dismissed, resigned or been forced to resign from employment or any position which involved a fiduciary duty as a result of negligence or misconduct.
- Have not been dismissed or been forced to resign from employment or any position over poor management or failure to resolve conflicts of interest.

Trustee Directors are also required to give authority to the Scheme Secretary to submit an instruction to Experian Ltd to carry out independent checks to verify the above declarations.

Experian Ltd carry out the following checks for all Trustee Directors:

- Sanctions File Check
- Basic Criminal Record Check

- Directors Search Check
- Adverse Financial Check
- Identity Check

The Fit and Proper declarations were completed by the Trustee Directors in July and August 2022 and their Experian checks commenced in August 2022 and were completed in September 2022.

Having reviewed the Fit and Proper declarations, the Experian checks and the outcome of the additional effectiveness reviews (further described in section 2.5), the Trustee has concluded that all of the Trustee Directors are deemed appropriately Fit and Proper, and meet the requirements set out in the Trustee's Fitness and Propriety Policy.

If a Trustee Director cannot satisfactorily complete the Fit and Proper declaration, the Scheme Secretary will seek further information and clarification as to why the declaration cannot be completed. If it is found and agreed the Trustee Director cannot meet the responsibilities of a Trustee Director, then they will be removed from the Trustee Board with immediate effect. During the reporting period, all Trustee Directors completed the Fit and Proper requirements successfully with no concerns raised.

The Fitness and Propriety of Trustee Directors is also reassessed if a Trustee Director's Self-Evaluation form identifies weaknesses in a Trustee Director's ability. The appropriate training is established and following the recommended training session, the Trustee Director recompletes the Self-Evaluation form. The Self-Evaluation forms completed in the period did not highlight any weaknesses in the Trustee Directors ability to carry out their role effectively (see section 2.5 for further details).

2.5 Trustee Knowledge and Understanding

Throughout the period the Trustee Directors must demonstrate:

- a working knowledge of the trust deed and rules.
- a working knowledge of the current Statement of Investment Principles (SIP).
- a working knowledge of all documents setting out the trustees' current policies.
- a working knowledge of Climate Change issues, ESG & Climate Control and TCFD requirements.
- that they have sufficient knowledge and understanding of the law relating to pensions and trusts.
- that they have sufficient knowledge and understanding of the relevant principles relating to the funding and investment of occupational schemes.
  that their combined knowledge and understanding, together with available advice, enables them to properly exercise their functions.

Prospective Trustee Directors are provided with a Trustee Responsibilities document which sets out in detail the Trustee role and Trustee Knowledge and Understanding requirements, together with reference to Trust Law and Liability. This is issued to the prospective Trustee Director via email by the Scheme Secretary.

During the appointment process candidates are asked to provide information in relation to their previous experience and any relevant qualifications they hold.

When a new Trustee Director is appointed, the Scheme Secretary will contact them with confirmation of their appointment, in the form of an introductory email, containing the following documents, details and requirements:

- Trustee Responsibilities document
- Crystal's Trust Deed and Rules and all Deeds of Amendment
- A link to the Crystal website which contains information on Crystal's investments and the Member Guide
- Details of the current Trustee Directors
- Fit and Proper Declaration for completion
- Self-Evaluation Form for completion
- Director Appointment Information form for completion
- TPR Individual Fit and Proper form for completion

Prior to attendance at their first formal Trustee meeting, Trustee Directors are invited to attend a Trustee Training induction presentation provided by the Scheme Secretary, together with the Administrator. This gives an overview of Crystal, the advisers, investments, and administration, an overview of trust law, pensions law, trustee liabilities, risk management and Master Trust Supervision, as well as what is expected of the Trustee

Director. This is intended to provide basic knowledge of Crystal's Trust Deed and Rules, SIP (details of the SIP can be found in section 11.2), and any other document or policies adopted by the Trustee.

The Trustee gains and builds on its working knowledge of Crystal's Trust Deed and Rules, the SIP and current Trustee policies and ensures it has sufficient knowledge of the law relating to pensions and trusts and relevant principles relating to funding and investment through, in particular, its bespoke training programme, completion of the Trustee Toolkit, self-evaluation forms, and updates and advice from its advisers. In addition, key Trustee policies are annually reviewed by the Operational and Compliance Committee to ensure they remain up-to-date, and the Trustee has a working knowledge of the policies in place. The policies were last reviewed at the Operational and Compliance committee meeting held on 2 February 2023, with details of the changes made documented in the Policies document matrix. There were no significant changes made to any policies during the period as they were deemed to accurately reflect the process in place and therefore remained up to date and fit for purpose.

The Trustee documents a training programme which is reviewed and approved annually at the quarter 4 Trustee meeting. The training programme remains a standing agenda item at each Trustee meeting. All training undertaken by the Trustee Directors is recorded on a central training log which is monitored by the Scheme Secretary.

Training that was undertaken by the Trustee Directors during the reporting period was as follows:

- TCFD Report planning and training – 7 June 2022 (provided by DWA and Sustain Value)
- Unconscious Bias – 7 June 2022 (provided by Evolve)
- TPR Code of Practice: ESOG and ORA – 20 September 2022 (Provided by Pinsent Masons)
- Pension Dashboards – 25 October 2022 (Provided by external third party, ITM)
- Illiquid Assets (Investment Committee only) – 5 November 2022 (provided by DWA)
- Real assets and sustainability (Investment Committee only) – 25 November (Provided by external third party, Nuveen)
- Trust Deed and Rules (Presented by Evolve)
    - Divorce, Payment of Benefits and Transfers Out and Buy Outs - 15 December 2022
    - Participating Employers and Replacement of Principal Employer, Closing and Winding Up and Power of Alteration – 29 March 2023
- Preventing Money Laundering – online training module
- GDPR Essentials – online training module
- Equality and Diversity – online training module
- Emotional Intelligence – online training module
- Unconscious bias for Managers – online training module
- Information Security – online training module

Trustee Directors are required to complete TPR's Trustee Toolkit or attend an equivalent Training course within 6 months of their appointment date as a minimum, with evidence of completion being kept on record. The training is focused on providing an appropriate level of knowledge and understanding of matters such as the law relating to pensions and trusts, and the principles relating to investment of pension scheme assets. All Trustee Directors have completed TPR's Trustee Toolkit. In addition, all Trustee Directors have completed the recently added module on Pension Scams.

All Trustee Directors of Crystal must complete TPR's Trustee Toolkit within six months of joining and every three years thereafter and a copy of the completion certificate is sent to the Scheme Secretary for the Trustee Training Log.

Alternatively, if a Trustee Director keeps a pensions industry Continuing Professional Development (CPD) record, they will not be required to complete the Trustee Toolkit every 3 years but must send a copy of their CPD record to the Scheme Secretary on an annual basis.

Professional Trustee Directors must continue to develop their knowledge and skills and undertake annually a minimum of 25 hours relevant learning and development. Professional Trustee Directors will be required to submit evidence of their CPD when available. The CPD records will be noted on the Trustee Training Log and a copy saved in the Trustee's training evidence file by the Scheme Secretary.

The Scheme Secretary received Samantha Pitt's, Kim Gubler's and Bhavna Kumar's 2022 CPD records in quarter 1 2023 and they had all exceeded the relevant CPD requirements.

Trustee Directors are also required to complete a Self-Evaluation form at appointment which is refreshed on an annual basis to assess their abilities and areas of focus for training.

The Self-Evaluation form requires Trustee Directors to rate their competence from 1 (No Knowledge) to 5 (Excellent Knowledge) across the following subjects:

- Overall confidence
- Understanding of responsibilities
- Understanding of risks
- Knowledge of DC schemes
- Understanding of Master Trusts
- Understanding of Crystal operation
- Knowledge of Crystal rules
- Ability to challenge advisors
- Ability to access scheme documents
- Knowledge of investment generally
- Knowledge of Climate Change issues
- Understanding of ES&G & Climate Control
- Understanding of investment risks
- Understanding of Crystal investments
- Ability to assess investment reports
- Ability to challenge investment advisor
- Overall confidence
- Understanding of responsibilities

Where areas of weakness are identified, the Scheme Secretary arranges for training at the earliest opportunity.

The areas of weakness are identified if a Trustee Director rates their knowledge as 1- No Knowledge or 2 - Poor. Trustee Directors are also able to notify the Scheme Secretary of training needs outside of the annual cycle.

Prior to the appointment of a new Trustee Director, the collective competence and skills of the Trustee are considered alongside the assessment of the proposed individual to ensure the relevant skills of the whole Trustee Board are maintained. This process is repeated annually.

During the period, the Trustee Directors completed their Self-Evaluation forms, which were assessed in July and August 2022 by the Scheme Secretary, and it was identified that there were no immediate weaknesses in Trustee knowledge or immediate training requirements.

Additionally, each Trustee Director has an annual appraisal where their individual performance is monitored and reported, alongside overall feedback on the Trustee structure which is provided from each Trustee Director. The appraisals are undertaken by both the Trustee Chair and the Head of Governance at Evolve, with formal notes taken and circulated for individual signature following completion of the appraisal.

The appraisal is broken into the following sections:

- Review of Trustee Self-Assessment form responses
- Review of Trustee Self-Evaluation form responses
- Review of Trustee skills and abilities (e.g., understanding structure of Master Trusts, understanding principles of investing assets, able to manage conflicts of interest, able to dedicate time to preparing for and attending meetings)
- Review of experience and knowledge
- Review of professional skills (where applicable)
- Review of any training requirements
- Opportunity for the Trustee to provide any additional comments.

Additionally, regular training sessions at Trustee meetings are facilitated by the Scheme Secretary and Administrator to improve Trustee knowledge. Training is arranged via Crystal's Administration, Legal, Investment and Audit providers, where required. Details of the training sessions undertaken during the period are noted above.

During the period the Trustee Directors also completed compulsory on-line training modules for Preventing Money Laundering, Data Protection, Emotional Intelligence and Equality and Diversity. All the Trustee

Directors completed and passed the on-line training between May and October 2022. The completion of these on-line modules will be required annually and are next due in quarter 3 2023.

The training received in the period positively contributed to the Trustee Directors' ability to make decisions in the best interest of the Members.

The Trustee Directors also receive investment commentary at each Trustee meeting and legal updates on a monthly basis, ensuring they remain fully prepared for any legislative changes, new best practice recommendations and continue to acknowledge the changing investment and economic landscape. The Investment Committee also received training on illiquid investments and sustainable investing during the reporting period.

The Trustee is satisfied that the combined knowledge and understanding of the Trustee Directors, together with the advice, which is available to them, enables them to properly exercise their functions as Trustee Directors of Crystal. In particular:

- Samantha Pitt (Chair during the period) has relevant commercial and financial knowledge and understanding of running a pension scheme and has a high level of knowledge regarding investments and risk management that she has previously gained in her Corporate Treasury and Corporate Finance career. Samantha also has a high level of experience and knowledge of the DC industry, particularly regarding ESG and climate change. She also holds the APPT professional trustee accreditation.

- Samantha Pitt and John Neal have extensive DC pensions knowledge and experience in the running, managing and sitting on Trustee Boards of a DC pension scheme. Samantha Pitt is also chair of another Master Trust.

- John McGhee is a Member of the Chartered Institute of Management Accountants, is a Chartered Global Management Accountant and holds FCA/PRA Approved person status. He has also been the Company Secretary for SELECT and the Scottish Electrical Contractors Insurance Ltd. His key strengths lie in compliance, finance and commercial consideration.

- Kim Gubler, in her current and previous roles, as an establishing Director of a specialist pension consultancy firm and a Director of the Pensions Administration Standards Association, has vast knowledge and experience of DC pensions, pensions administration and communications.

- John Neal has knowledge and experience with investments, in particular ESG matters, due to his role as a Member of the Unite Pension Scheme Investment Committee. He holds the PMI Retirement Provision Certificate and has expertise in pension legislation and investments. John has also completed the PMI accreditation programme, APTitude.

- Michael Clark, in his senior positions at MNPA and Capita Trust Company and previously owning his own Trustee Services company, has vast knowledge and experience of DC pensions, pensions administration and Trusteeship. Michael has also completed the PMI accreditation programme, APTitude.

- Bhavna Kumar is a qualified actuary and has extensive experience of DC pensions. She established Align Pension Ltd with two others and has knowledge of investments as she was previously an authorised investment adviser. She works with a range of schemes including defined benefit, DC and hybrid schemes and has experienced the full range of pension scheme matters. She also holds the APPT professional trustee accreditation.

2.5.1 Trustee Individual and Collective Competency

The role of the Trustee is critical to the safeguarding of Member benefits and ensuring that oversight is given to all aspects of Crystal. As this requires a broad knowledge in relation to pensions, the law relating to pensions, operational risks and the commercial impact of Master Trusts, all the required skills are unlikely to be found in a single individual. The short biographies in section 2.1 outline the backgrounds and experience of each of the Trustee Directors in post during the period. The collective competence of the Trustee Board is critical alongside skillsets outlined below which each individual should possess, detailed below:

Skill	Individual	Collective
Understand pensions law	Y	
Understand trust law	Y	
Understand duties, obligations and powers of trustees	Y	

Understand structure of DC Pensions	Y	
Understand master trust structure and legislation, including TPR's Authorisation and Supervisory Regime	Y	
Understand principle of investing assets	Y	
Understand investment asset classes and risks	Y	
Understand Scheme charges and associated fees	Y	
Understand Climate Change issues	Y	
Understand ES&G issues	Y	
Understand Trustee liability and protection	Y	
Understand the benefit structure and discretionary decisions	Y	
Working knowledge and access to the Trust Deed and Rules, including any amending deeds	Y	
Working knowledge of Scheme documents (e.g., member communications, SIP, Implementation Statement, Business Plan, IDRP etc..)	Y	
Understand the contribution process and reporting	Y	
Understanding of the priorities of risks on the risk register relating to likelihood and impact on Members	Y	
Acts with transparency and integrity, and manages personal conflicts of interest	Y	
Able to dedicate time to preparing for and attending meetings	Y	
Able to analyse information and reports presented in meetings	Y	
Contributes and facilitates discussion to develop ideas, communicating clearly and openly to secure understanding	Y	
Works collaboratively with other Board members	Y	
Understand roles of advisors and able to challenge	Y	
A strong believer and supporter of diversity of thought	Y	
Undertakes learning and development to improve Trustee skills and is aware of own strengths and weaknesses	Y	
Completion of Trustee Toolkit	Y	
In depth experience/knowledge of DC Pensions		Y
In depth experience/knowledge of Trusteeship		Y
In depth experience/knowledge of DC investments		Y
In depth experience/knowledge of Pension Administration		Y
In depth experience/knowledge of Communications		Y
In depth experience/knowledge of Prioritising, assessing and mitigating risk		Y
In depth experience/knowledge of Compliance		Y
In depth experience/knowledge of Finance		Y
In depth experience/knowledge of Commercial factors		Y
In depth experience/knowledge of Environmental, Social and Governance (ESG)		Y

An annual review is conducted by the Head of Governance and Director of Strategy at Evolve where the individual and collective competence is assessed based on the above which is also outlined in the Trustee Responsibilities document. A report is prepared for the Trustee to review, approve and sign.

The annual assessment of Trustee standards was conducted in quarter 4 2022 together with the Fit and Proper requirements and a report was prepared and presented to the Trustee for review. The Trustee approved it as accurate and it was signed by the Chair on 15 December 2022, confirming the collective skills, experience and knowledge of the Trustee and as individuals the Trustee Directors possess different strengths.

In summary, the combined knowledge and understanding of the Trustee Directors, (as demonstrated in sections 2.2 and 2.5), together with the advice that is available to them via their service providers, adds to the overall competency of the Crystal Trustee and its ability to act in the best interests of its Members.

The Trustee has evaluated the performance and effectiveness of the board as a whole against the objectives of the Trustee Responsibilities document and has concluded that the Trustee is fully equipped to exercise its functions and properly run Crystal.

2.6 Trustee attendance

The Trustee Directors' attendance at all meetings is recorded by the Scheme Secretary. The overall attendance at the 4 main Trustee, 6 extraordinary and 12 committee meetings held in the period of this statement was

92.68% (last year 89.77%).

3. How are conflicts managed?

The Trustee has established a Conflicts Policy to assist the Trustee board in identifying, managing and monitoring actual and potential conflicts of interest that arise in relation to Crystal. This policy is reviewed and approved annually.

Prior to the commencement of each Trustee and Committee meeting, Trustee Directors and attendees are asked to declare any conflicts relating to their ongoing position or any specific items raised on the meeting agenda. The Trustee considers the Conflicts Policy in place during this standing agenda item.

When a conflict is declared, the Trustee Directors decide which of the following actions are proportionate and appropriate:

- No action required but conflict noted
- Abstention from specific discussion(s)
- Abstention from specific decision making
- Removal from Trustee meeting
- Review of position
- Removal from position

When selecting the appropriate course of action, the Trustee Directors take into consideration the risk and potential impact on discussions and decision making, with findings recorded in the Trustee meeting minutes.

Any conflicts raised by Trustee Directors or service providers are documented in the Conflicts Log. Recurring conflicts are identified and raised with the Trustee by the Scheme Secretary.

Conflicts remains a standing item at every Trustee meeting. Trustee Directors and attendees, including service providers, must declare at the beginning of each meeting whether they have any actual, potential or perceived conflicts of interest.

The Trustee has not identified any actual conflicts in the respective relationships between the non-affiliated Trustee Directors and service providers. Where potential conflicts have been identified these have been considered and are managed appropriately. An example of a potential conflict is Trustee Directors' appointments with other commercial master trusts. This type of conflict, once declared, is updated on the Conflicts log and monitored by the Trustee and Evolve's Governance Team to ensure it remains a potential conflict rather than an actual conflict. Potential conflicts are not actual conflicts but could become one in time, and as such remain a standing agenda item. In the event a potential conflict became an actual conflict, the conflict would be dealt with in line with the Trustee's Conflict Management Policy.

4. Who helps the Trustee to assess if Crystal is good value for Members?

The Trustee of Crystal assesses Value for Members, together with the advice and guidance received from its service providers. These service providers are appointed by the Trustee in line with the provisions stated in the Trust Deed and Rules.

The service providers to the Trustee and Crystal during the period were:

- Actuary — First Actuarial
- Administrator — Evolve Pensions Limited
- Accountant — Burgess Hodgson
- Auditor — RSM UK Audit LLP
- Assurance (AAF) auditor — RSM Risk Assurance LLP
- Investment Consultant — Dean Wetton Advisory
- Investment Managers — AllianceBernstein / Legal & General Investment Management
- Legal Adviser — Pinsent Masons
- Secretarial — Evolve Pensions Limited

In addition to the above service providers to the Trustee, the Crystal bank accounts are held with HSBC.

Further information on Value for Members is shown in section 12.6.

4.1 How does the Trustee appoint a new provider?

In appointing a service provider, the Trustee will take into consideration several factors including:

- Are there any reasons why an appointment process should not take place at this time?
- Are there areas of the current service provision which are lacking?
- Are there any providers who must / must not be included in the shortlisting process, and why?
- Does the Trustee feel it is appropriate to conduct a full provider review with face to face interviews?

These considerations will be discussed at a Trustee meeting prior to the commencement of the shortlisting of potential providers. At this stage the Trustee will discuss whether a Working Group of the Trustee should be formed to manage the service provider review process and report back to the Trustee with a recommendation.

The second stage of the appointment process is for the Scheme Secretary to select potential providers from the wider market, based on the selection criteria documented in the Service Provider Appointment Policy, including the current service provider for the position. The providers will be emailed with a request to send a tender proposal for the Trustee to consider.

The Scheme Secretary will also take into consideration the qualities the Trustee would like to see in a potential service provider and any recommendations or requests for certain providers to be included.

The service providers are then shortlisted by the Scheme Secretary after an in-depth analysis of the received tender documents has taken place. In preparing the recommendation, the Scheme Secretary will consider the following:

- Relevant experience
- Industry reputation
- Qualifications
- Accreditations
- Fees
- Charging basis
- Interview technique
- Presentation/ reporting skills
- Investment performance (if appropriate)
- References or referrals (if deemed necessary)

The shortlisted providers' tender documents are then made available to the Trustee to review, ahead of an arranged provider review, if necessary, which will usually take place during a quarterly Trustee meeting.

At stage three, those providers shortlisted will provide a presentation as part of the provider review, with the opportunity for the Trustee to put questions to them.

Following the provider review and Trustee discussion, a formal proposal for provision of services is presented to the Trustee for consideration by the Scheme Secretary, based on, but not limited to, the following criteria:

- Quality and Structure – Inception of company, structure of the team i.e., years of experience and number of staff and what other clients make up their portfolio.
- Knowledge – Understanding the challenges that the provider feels will affect the Master Trust industry now or in the future.
- Value for money – Full disclosure of charges, including any additional costs that may be taken into consideration such as trustee training and attendance at meetings.
- Added Value - What does their company offer that is different from their competitors?
- Creditability – The Scheme Secretary will look to obtain references from reputable clients.

The agreement for the appointment of a provider will be reached by the Trustee at a quorate meeting and the decision of the successful provider will be formally minuted.

Once the proposal has been deliberated and the agreed provider chosen, those not selected will be contacted.

During the fourth stage the successful provider will receive a Provider Appointment letter, detailing the terms of the appointment, including:

- Scope of Services
- Charges
- Key Performance Indicators (as listed below)
- Termination Clauses
- Liability

- Data Protection
- Confidentiality

The Provider Appointment letter is reviewed annually in line with the service provider review to ensure it remains relevant. Any amendments required are carried out by the Scheme Secretary and approved by the Chair of Trustee.

5. What is the future of Crystal?

5.1 Wind up of Crystal

After an in-depth due diligence process, the Trustee has made an agreement with Smart Pension Limited to merge Crystal into the award-winning Smart Pension Master Trust (SPMT). Although the agreement was entered into after the period, the Trustee considers that it is important for all Crystal members to be aware of the merger and wind-up.

The Trustee has conducted thorough due diligence on SPMT and is confident Crystal members will benefit from an increase in value for money. With no increase in member charges, comparable investment options and improvements in technology in the form of a virtual assistant, mobile App, financial wellbeing and guidance, the Trustee is confident that all areas of the Membership will experience an improved Member journey.

5.2 Supervision Regime

The Master Trust Authorisation regime came into force on 1 October 2018 and all Master Trusts must show that the people running the Master Trust are fit and proper, systems and processes are robust, there is a Scheme Funder, the scheme is financially sustainable and there is a continuity strategy in place that will ensure the protection of Members' benefits. On the 11 April 2019, Crystal was granted Master Trust Authorisation by TPR.

Following Authorisation, TPR supervises Crystal (and all Authorised Master Trusts) on an ongoing basis through an ongoing engagement plan and completion of an annual Supervisory Return. After obtaining Authorisation from TPR, it is imperative Crystal maintains it by continuing to show high levels of governance, controls, processes and that it remains financially sustainable. As part of ongoing Supervision, Evolve and the Trustee have put in place controls to continually review Crystal's documentation, including all policy, process, and risk monitoring documents, all of which are referenced in the annual Supervisory Return. Crystal will also undergo an external audit of administration controls and processes as part of the Master Trust Assurance framework and submit this, together with all ongoing evidence to TPR as proof Crystal continues to satisfy the requirements to be an Authorised Master Trust (see sections 5.2 and 5.3).

As part of Authorisation, Master Trusts are required to complete a Business Plan, which is submitted in the Supervisory Return. The Business Plan sets out Crystal's objectives and illustrates its viability through the business strategy, costs, revenues, financial sustainability, financial reserves, and continuity strategy. It ensures Crystal continues to be in a sustainable position to successfully operate.

The statistics and underlying assumptions to Crystal's Business Plan are monitored by both the Evolve Executive and Head of Governance on a quarterly basis to ensure early detection of any risks to the delivery of the Business Plan.

If the Business Plan remains on track and there are no risks to the delivery of the Business Plan a report is circulated to the Trustee at the first timetabled Trustee meeting following the review.

If the review indicates that there are risks to the delivery of the Business Plan the Head of Governance will circulate information to the Trustee at the earliest opportunity, no later than 7 days after detection. The Head of Governance and Evolve Executive will also assess if the risks to the delivery of the Business Plan constitute a Significant Event. The Trustee is required to notify TPR if certain Significant Events occur in relation to Crystal. Significant Events are matters which affect whether a Master Trust still meets the Authorisation criteria and the information provided enables TPR to understand the impact of the Significant Event and how it is being managed.

As part of the annual Supervisory Return the Trustee provides details to TPR covering Significant Event reporting, fitness and propriety of the Trustee Directors and other relevant persons and details regarding core systems and processes that are in place to show how oversight is maintained by the Trustee. The Supervisory return for 2022 was submitted on 24 June 2022, ahead of the deadline of 5 July 2022.

As part of the ongoing engagement plan, certain documents are required to be submitted at regular intervals such as the Risk Register, administration reports and copies of meeting minutes.

5.3 What is Master Trust Assurance?

The Master Trust Assurance Framework is an internal controls report which is prepared in accordance with the framework set out by the Audit and Assurance Faculty of the Institute of Chartered Accountants in England and Wales, with specific reference to Technical Release 05/20 AAF Assurance reporting on Master Trusts.

Crystal's latest report sets out detailed information regarding the control procedures and overriding objectives used in the operation of Crystal over the period 1 January 2022 to 31 December 2022. The report was independently audited and was used as part of the evidence submitted to TPR for further scrutiny for Crystal's Supervisory Return.

Crystal's full Master Trust Assurance Report is available to Members on request. Please contact the Administration team at penadmin@evolvepensions.co.uk for an electronic copy.

5.4 How does Crystal remain sustainable?

The Trustee acknowledges that Crystal must have scale in order that it can maintain a charging structure which provides and demonstrates Value for Members and requests that Evolve (as Scheme Funder) provides relevant information in an Annual Evolve Overview – Information Requirements Policy (previously called the Evolve Capacity Review) and on request.

As referenced above in 5.1, the wind up of Crystal has been triggered and all Members and Funds will be transferred to SPMT.

Prior to triggering wind up, the Trustee monitored the growth of Crystal at each Trustee meeting using the Administration Report and the Administrator's Reserve Funding charts and had put in place a process to review expected future growth in the Annual Evolve Overview. The careful and considered review of the Administration Report enables the Trustee to monitor the administration service, as it is considered one of the most vital services to Crystal. The Scheme Secretary requests the Annual Evolve Overview from the Scheme Funder across the following categories:

- Operational
- Staffing
- IT and systems
- Growth and sustainability
- Risk Management
- Budget and fees

The Trustee reviews and approves the overview report requesting further information or action as necessary. This annual review is documented in Trustee meeting minutes.

The Scheme Funder presented the annual overview to the Trustee on 15 December 2022 for the period under the agenda item Annual Evolve Capacity Review.

The Trustee also monitored the growth of Crystal at each Trustee meeting using the Quarterly Scheme Business Plan. Crystal's Business Plan is reviewed quarterly in line with the Business Plan Review Policy, which was reviewed and approved by the Operational and Compliance Committee on 2 February 2023.

All reporting and discussions of the Administration Report, Annual Evolve Capacity Review and Quarterly Scheme Business Plan Review items are minuted at the relevant Trustee meeting.

The Trustee prepares an annual Report and Accounts for each Scheme Year ending 5 April. These accounts are independently audited by RSM and approved by the Trustee. The Trustee also approves its own audited Company accounts.

6. What has happened during the period?

6.1 War in Ukraine

The Trustee, together with its Investment Consultant and Investment Analyst, continue to closely monitor the impact of Russia's invasion of Ukraine including the impact on Crystal's investments. The impact on energy prices and inflation as well as the ever changing geopolitical landscape and its effects on goods and services

around the world are also monitored and the impact on Crystal assessed quarterly. Details regarding Crystal's exposure to Russian investments and the steps being taken are set out in section 12.5.

6.2 Impact of inflation

The Ukraine conflict also led to heightened concern over global energy supply, and other commodities, which served to further increase inflationary pressures. Tightening of monetary policy from global central banks and soaring commodity prices contributed to a further surge in inflation as well as supply chain disruption. These wider supply chain issues and therefore inflationary pressures were particularly exacerbated in the UK due to added trade barriers with longstanding EU partners.

The Trustee is mindful of the increased inflationary pressures and the potential impact on the running of Crystal in terms of increasing costs and the impact on Evolve. As part of ongoing due diligence and best practice the Trustee monitors the impact through the review of the Business Plan, Commercial and Investment updates provided at each quarterly Trustee meeting.

6.3 Climate change governance and reporting requirements

The Trustee Board has ultimate responsibility for ensuring effective governance of climate related risks and opportunities for Crystal. The Board meets every quarter and has included climate-related training on best practice and risks and opportunities as a dedicated item at Board meetings since March 2021. The Board expects to undertake scenario analysis at least every three years, in line with DWP regulations and will continue to review investment strategy annually, including its strategic approach to climate related risks and opportunities.

During the period the Trustee received climate training from their Investment Consultant in two extra Trustee meetings. In addition, the Trustee Directors have attended several TCFD and climate change seminars to develop their knowledge and the Trustee maintains a climate related training logbook.

As part of the work to produce their report on climate related financial disclosures, the Trustee, with their Investment Consultant, conducted scenario analysis in order to identify investment risks and opportunities and to assess their potential impact on Crystal. Assessments were made of transition and physical risks (both acute and chronic) in the Lifestyle Strategy and the TDFs, and now for the most recent report, extended and updated across these default strategies. A mixture of qualitative and quantitative evaluation of risks was used, with an expectation that understanding, and quantification of climate risks will develop further over time.

In addition to the scenario analysis, consideration of climate related risks and opportunities beyond the investment level has also been taken by the Trustee. Risks have been assigned ongoing management responsibilities, and fully integrated into the Risk Register using impact and likelihood ratings to produce an overall risk score. Maintaining and updating the Risk Register is the delegated responsibility of the Operational and Compliance committee, with Trustee oversight.

7. Who are the Crystal Partners?

Crystal is open to consolidation and accepts other Master Trusts and DC arrangements into Crystal.

A consolidated Master Trust or DC arrangement is referred to as a 'Partner', as the Crystal Trustee and the Sponsor of the previous arrangement work together to ensure a successful transition for Employers and Members. A Partner can retain its logo as well as have its own Member Guide and named section within Crystal, so Employers and Members see a continuation of their pension.

8. How is Crystal Administered?

8.1 Review of service providers

The Trustee assesses the performance and effectiveness of service providers annually. The Service Provider Appointment Policy details the process and all discussions are documented in the Trustee meeting minutes. A full review and possible tender process is followed triennially. The full triennial tender process mirrors the usual appointment process.

Performance is measured and reviewed with reference to Key Performance Indicators for each service provider.

The Key Performance Indicators of the Investment Consultant include but are not limited to:

- Quality and timeliness of reports

- Clear and understandable objectives detailed in reports
- Comprehensive reporting
- Reports supported by up to date evidence from the wider investment market and investment managers
- Consideration given to the wider investment market and economic impact
- Quality of the SIP
- Proactivity in recommending new ideas
- Knowledge of TCFD reporting requirements and clear instruction and assistance to the Trustee

The Key Performance Indicators of the Actuary include but are not limited to:

- Timeliness of provision of Statutory Money Purchase Illustration (SMPI) factors
- Notification of new regulatory guidelines for SMPI calculation
- Clarity of explanations
- Availability for queries

The Key Performance Indicators of the Administrator include but are not limited to:

- Quality and timeliness of reports
- Regular and transparent evidence to support operational capabilities
- Consistently meeting agreed SLAs
- Transparency and timeliness in reporting any complaints
- Level of engagement offered to Members i.e., online tools available

The Key Performance Indicators of the Scheme Secretary include but are not limited to:

- Quality and timeliness of meeting papers
- Quality and timeliness of meeting minutes
- Availability for questions
- Continues to hold the relevant skills and expertise to provide the services agreed
- Accuracy of documents prepared

The Key Performance Indicators of the Legal Adviser include but are not limited to:

- Provision of regular compliance information
- Availability for first stage queries
- Quality and timeliness of advice
- Transparent fee structure

The Key Performance Indicators of the Accountants include but are not limited to:

- Quality and timeliness of the Report and Accounts
- Accuracy of Report and Accounts
- Timeliness of requests for relevant documents and information
- Transparent fee structure

The Key Performance Indicators of the Auditors include but are not limited to:

- Quality and timeliness of reports (Report and Accounts, Auditor's report to the Trustees and the AAF)
- Timeliness of audit requests and queries raised
- Transparent fee structure
- Clear and concise Audit Findings Report

The Key Performance Indicators of the Investment Managers include but are not limited to:

- Comprehensive, accurate and timely reporting
- Overall performance i.e., meeting benchmark objectives
- Achieving long term return targets set within agreed risk levels
- Comparison to other managers to ensure they continue to be dynamic and forward thinking
- Expenses are in line with expectations

The Key Performance Indicators of the Bank include but are not limited to:

- Level of customer service provided

- Clear charging structures in place
- Comprehensive fraud check structure in place

In addition to the above Key Performance Indicators, the following points are also reviewed:

- Assessment of the effectiveness of reports or advice provided
- Quality of communication at Trustee meetings
- Quality of feedback from third parties such as the Administrator

In the event a service provider is not meeting its Key Performance Indicators, or the Trustee is dissatisfied with the level of service provided, the service provider will be contacted and informed, and given the opportunity to improve their standards.

In all cases the review process is minuted via the various meetings that take place, with copies of minutes kept securely by the Scheme Secretary.

The annual assessment of service providers and advisers took place at the Trustee meeting on 7 June 2022 and was minuted. Additionally, the following scheduled triennial reviews were completed during the period:

Legal Provider

The Trustee commenced a triennial review of the Legal Provider, Pinsent Masons, in the quarter 4 2021 Trustee Meeting on 16 December 2021 and it was agreed a full tender process was not required as the current Adviser had met all the relevant KPIs.

The Trustee designated responsibility to a Working Group to oversee the triennial review process with the Scheme Secretary which met to agree the questions and providers that would be approached to complete the Request for Information (RfI) as well as the current provider, Pinsent Masons, for benchmarking purposes only. Four legal providers responded to the RfI, including the current provider, and the Working Group met on 10 May 2022 and agreed Pinsent Masons should continue as Legal Provider. This decision was ratified by the Trustee at the Trustee meeting that took place on 7 June 2022.

Accountant and Auditor

The Trustee commenced a triennial review of the Accountant, Burgess Hodgson, and Auditor, RSM UK Ltd (RSM), in the quarter 4 2022 Trustee meeting on 15 December 2022 and it was agreed a full tender process was not required as the current providers continued to meet all the relevant KPIs.

The Trustee designated responsibility to a Working Group to oversee the triennial review process with the Scheme Secretary which met to agree the questions to be asked and providers that would be approached to complete the Request for Information (RfI). It was agreed this would be for benchmarking purposes only. The RfI was sent to seven providers, including the incumbents, however only the incumbents responded.

The Working Group reviewed the responses to the RfI from Burgess Hodgson and RSM and agreed via email correspondence with the Scheme Secretary that there was no need to have a further meeting. It was confirmed Burgess Hodgson would continue as Accountant and RSM would continue as Auditor. The Working Group's decision was ratified by the Trustee at the Trustee meeting on 29 March 2023.

8.2 Service providers reviewed during the statement period

In line with the Trustee's Service Provider Appointment Policy, service providers are reviewed annually in the quarter 2 Trustee meeting. The review includes each providers' costs and Key Performance Indicators and is an opportunity for the Trustee to raise any concerns over performance.

At the Trustee meeting on 7June 2022 it was noted that no Service Providers were due to be specifically considered. It was also agreed by the Trustee no concerns or changes needed to be made to the current providers.

As noted in the last Chair's Statement, following expiry of their 3-year term in November 2021, the Legal Provider review took place in quarter 2 2022. The Trustee agreed that a full tender process was not required as there were no concerns with the incumbent provider, and they had consistently offered a good service over

their term. It was therefore decided that a market review should be conducted as an alternative. The Trustee delegated the review to a Working Group made up of three Trustee Directors.

The review commenced with a Request for Information (RfI) prepared and agreed by the Working Group. The RfP was issued to 4 legal advisers, including the incumbent provider, who all responded. It was noted the responses had been satisfactory and were indistinguishable in terms of business processes and performance metrics across the benchmarking exercise. Following review of the responses, the Working Group agreed to recommend remaining with the incumbent, Pinsent Masons, which was approved by the Trustee at the meeting on 7 June 2022.

The Trustee commenced a triennial review of the Accountant, Burgess Hodgson, and Auditor, RSM UK Ltd (RSM), in the quarter 4 2022 Trustee meeting on 15 December 2022 and it was agreed a full tender process was not required as the current providers continued to meet all the relevant KPIs.

The Trustee designated responsibility to a Working Group to oversee the triennial review process with the Scheme Secretary which met to agree the questions to be asked and providers that would be approached to complete the Request for Information (RfI). It was agreed this would be for benchmarking purposes only. The RfI was sent to seven providers, including the incumbents, however only the incumbents responded.

The Working Group reviewed the responses to the RfI from Burgess Hodgson and RSM and agreed via email correspondence with the Scheme Secretary that there was no need to have a further meeting. It was confirmed Burgess Hodgson would continue as Accountant and RSM would continue as Auditor. The Working Group's decision was ratified by the Trustee at the Trustee meeting on 29 March 2023.

Additionally, on 10 June 2019, the Competition and Markets Authority (CMA) introduced new duties for Trustees, including the requirement for them to set and review strategic objectives for their investment consultant on an annual basis. With effect from 1 October 2022, these duties were brought into pensions legislation and the law requires Trustees to set objectives for investment consultancy providers and review the provider's performance against those objectives at least every 12 months.

In line with this, the Trustee conducts an annual appraisal and Objectives review for the Investment Consultant, DWA. The appraisal is undertaken in line with the performance review set out in the Trustee Service Provider Policy, and in conjunction with the annual review of the CMA Objectives.

At the Investment Committee meeting on 25 November 2022, the Committee undertook the appraisal and CMA Objectives review. It was agreed all of the Objectives remained relevant and accurate and that DWA's performance was rated overall 'Green' i.e., 'Good', with DWA continuing to meet their Objectives and KPIs. The Committee noted continuous improvement over the last 12 months.

8.3 Core financial transactions monitoring

The Trustee needs to ensure that certain transactions (known as "core financial transactions") relating to Crystal are processed promptly and accurately.

For these purposes, "core financial transactions" include (but are not limited to):

- investment of contributions made to Crystal by Members and their Employers.
- transfers into and out of Crystal of assets relating to Members.
- switches of Members' investments between different funds within Crystal.
- payments from Crystal to or in respect of Members/beneficiaries.

Crystal has an SLA in place with the Administrator, Evolve, which covers the accuracy and timeliness of all activities, including core transactions.

Crystal's Administrator reported to the Trustee that once matching data and payment were received, 99.99% of the core financial transactions were processed within the agreed service levels that were outlined and approved by the Trustee and Administrator in the SLA over the reporting period.

The Administrator's case-work items are split between Employer Services and Member Services.

- The Employer Services team process, upload and invest contributions.
- The Member Services team process individual Member work items such as retirements and transfers along with other general Member enquiries.

Processes adopted by the Administrator to help meet the SLA include but are not limited to daily monitoring of

bank accounts, a dedicated contributions processing team and a dedicated finance team responsible for checking all investment and banking transactions.

During the period the core transaction cases were split as below:

	SLA percentage target met (average over reporting period)
Member Services	100%
Employer Services	90.17%* impacted by third party delays outside the control of The Employer Services Team

**The Employer Services Team had advised the Trustee in the Administration Reports that they had received 23,098 contribution data files for the reporting period. Due to missing contribution schedules, payments, or outstanding queries on data or payments, only 20,828 cases could be invested. However, once data and payment were received, the SLA rose to 99.99%. The missing data is in respect of where the Administrator receives a data file but no payment, received payment but no data file, there is mismatch or both data and payment is missing. The missing contributions are monitored on an ongoing basis with the Administrator working with the relevant Employer to resolve the issue.*

To ensure the Administrator is working to the highest standard, the Trustee reviews the workloads, service level performance and the accuracy of the work produced in weekly information provided by the Head of Administration, and via the monthly Administration Report. An inter-period administration update is provided at each Trustee meeting which provides a precis of workflow statistics and performance in the time between the meetings.

The Administrator has a number of systems and processes in place that enable it to ensure that core financial transactions are processed accurately and promptly. These include but are not limited to reconciliation of monies invested and the corresponding units purchased, process for ensuring data is up to date and identifying any gaps in contribution records.

As part of the monitoring to ensure that core financial transactions are processed promptly and accurately, the performance of the service levels has been monitored by the Trustee throughout the period in the Administration Reports. The Administration Reports set out the performance of the Administrator against the agreed service levels. Any work items completed outside of the SLAs are monitored by the Head of Administration and an explanation is provided to the Trustee if targeted SLAs are not met so that remedial action can be considered and taken where necessary.

During the period, the Administrator experienced external, third party software issues that resulted in delays to contributions being invested for a specific section of Crystal members, the Optess section. The underlying cause is the system coding within Optess's Middleware platform, ROOT.

The Administrator is always proactive when receiving the contributions in order to try and prevent missing investment deadlines, however, that cannot always be achieved and in the event investments are missed, full investment loss exercises are undertaken and funded by Optess to ensure the members do not experience any financial loss as a result.

The Trustee has reported these issues formally to the Pensions Regulator (TPR) in line with the Significant Event reporting requirements.

The Trustee is comfortable that the monitoring process currently in place identifies any failures and that there has been no member detriment, as any investment loss is reimbursed by Optess.

Over the period, the average SLA of 97.8% was reported to the Trustee in the Administration Reports. This was discussed by the Trustee and the Administrator during the Trustee meetings. The Trustee are confident that the processes and controls in place with the Administrator are sufficiently robust to ensure that core financial transactions have been dealt with promptly and accurately during the period.

Overall, in the 12-month reporting period the Member Services team received and closed 43,901 items of incoming casework with an average SLA performance of 97.8%.

Data integrity is an area where the Administrator has invested significant effort to improve and enhance their processes. In 2021, The Trustee approved a Data Management Plan based on the PASA guidance linked to the

newly formed Evolve data committee, which continues to provide leading edge data integrity testing and analysis. The Administrator routinely undertakes over 3.6 million data tests a month to assess and improve data quality, such as real time front end data validation via the evoPlus employer portal, monthly member common data testing (i.e. DOB, NINO, Address), monthly member scheme specific data testing and monthly financial testing (i.e. unit reconciliations).

A Data Improvements log is also maintained, which details the changes in data scores from a documented baseline.

The Administrator is currently in discussions with a third party provider to undertake monthly data enrichment and data cleansing work.

Based on the above, the Trustee is satisfied that the core financial transactions were processed promptly and accurately during the Scheme year.

9. What communications are used?

9.1 General Data Protection Regulation (GDPR)

The GDPR was new legislation regarding protecting and processing data appropriately and came into effect on 25 May 2018. The GDPR now forms part of UK data protection law, known as the "UK GDPR" which came into force on 1 January 2021. The Trustee of Crystal has ensured all parties involved with Crystal are aware and comply with their obligations, with each service provider having the same agreement in place to comply with the legislation.

Members have also been notified of the change in data protection law via a Privacy Notice. Crystal's Privacy Notice was last reviewed on 27 January 2023 and is available at the bottom of the Evolve website, https://evolvepensions.co.uk/members/crystal-privacy. A link to the Privacy Notice is also provided in the Welcome Email communication issued to all new entrants to Crystal.

The Data Protection Policy is reviewed and approved annually. The policy was last reviewed and approved by the Operational and Compliance Committee on 2 February 2023, no material changes were made.

9.2 Regular Communications

Newsletters were issued quarterly to all Employers and quarterly to all Members, including drawdown Members, during the period. Each newsletter includes a section entitled "We value your feedback" and a link to a feedback survey that gives Members and Employers an opportunity to provide feedback. Prior to the feedback survey, Members were given the opportunity to email the Administrator using a link in the newsletters.

All newsletters are distributed by email using dotdigital. See also section 9.5 for more details on providing feedback.

Evolve uses the Member newsletter to increase engagement with Crystal Members, to ensure that Members are aware of the online Member portal and how to access it. Evolve ensures that the format of the newsletters is mobile friendly, and the language used is not complex.

Between April 2022 and March 2023, 408,428 emails were sent out to our Members which included newsletters, targeted communications, investment updates and scheme documents such as annual benefit statement notifications.

9.3 Other communications

The Trustee maintains an annual planner for educational and engagement Member communications with topics such as, Environmental, Social & Governance (ESG), Additional Voluntary Contributions (AVCs), Scams, Drawdown and General Investment.

These messages are delivered by a number of methods:

- Member newsletter – Circulated to all Members on a quarterly basis.
- Evolve website –by using the specific Member and Employer areas to make it easier to locate information.
- Social Media posts – these include links to specific items on the new Member education page. Content is posted three times a week to Twitter and Facebook for Members and regularly on LinkedIn for the

pensions industry. Topics covered for Members include: how does my pension work? What is investment? What are my options at retirement? How can I get advice? Topics relating to AE duties, process updates and employer services are covered for Employers.

- Scheme communications – links to educational videos and material in standard communication – for example the retirement advice options embedded into retirement reminder communications.
- Podcasts – a series of podcasts has been produced and published by Evolve on topics such as the importance of Member advice, responsible investment and drawdown options.

Investment update

An announcement was issued to Members in October 2022 to introduce the Crystal Responsible Investment Fund (CRIF). This new fund was launched as a self-select option for Members which gives the opportunity to grow your Retirement Savings whilst ensuring that you are invested in businesses making changes and working towards a low-carbon environment and being socially responsible. The CRIF aims to meet the UN Sustainable Development Goals.

TCFD

On 30 March 2022, the Trustee issued the first in a series of communications to Members regarding TCFD reporting. The communication was sent to 79,485 Members of which 35,221 opened the communication and 769 opened the TCFD Member-Friendly document.

On 6 October 2022 a communication confirming the availability on the Evolve website of the latest version of Crystal's TCFD report was issued to all Members of Crystal. The communication confirmed that Crystal has a responsibility to comply with the Taskforce for Climate Related Financial Disclosures (TCFD) and as such the Trustee, with the help of investment and governance specialists tested two climate scenarios on our default investment strategies to assess the effects they could have on Crystal and the investment returns. It also confirmed that the Trustee is incorporating climate risks and opportunities into every aspect of Crystal's investment strategy, with the Trustee setting a target for Crystal to be net zero by at least 2050.

Guidance

The Trustee believes that providing access to good quality guidance is essential for Members. Links to the retirement guidance provider have been embedded into retirement communications issued by the Administration team. This guidance option is provided in addition to Pension Wise and MoneyHelper.

9.4 Communicating with Members and Employers

The Evolve Communications Committee (ECC) is formed of members of the Evolve Executive, Administration, Client Services and Governance teams at Evolve, and is committed to ensuring communications issued are timely and relevant.

The role of the ECC, which met monthly until October 2022 and now meets quarterly, is to review the latest announcements from the government, TPR and general pensions press along with any issues that have arisen from contact with Members and Employers.

In respect of Evolve service provision, the ECC will determine if an announcement needs to be circulated and if so, what content should be included.

Additionally, the ECC assesses enquiries and feedback received by the Administration team, to decide on whether Scheme specific communications are required and will then liaise with the Development Committee who will be responsible for taking this forward.

Part of the Development Committee's remit is to review and monitor communications. At a Development Committee meeting that took place on 17 June 2020, it was agreed that the ECC would take ownership of the engagement role with Members and Employers but that the Trustee would continue to have overall control and responsibility of Member related communications or specific Trustee announcements. It was also agreed that the Development Committee would work with the ECC, with open lines of communication maintained on an ongoing basis.

In December 2021, responsibility for the practical development and ongoing monitoring of the Trustee Accessibility and Vulnerable Persons Policies was delegated to the ECC by the Trustee. The topic is a standing agenda item and is discussed at each monthly meeting and is also considered ongoing by the Development Committee.

The Trustee has drafted policies to include definitions, risk factors, principles and guidelines for production of communications. In addition, the policies will outline product design and standards for such things as websites. The ECC will be responsible for ensuring that all decisions made by the Trustee are implemented by Evolve.

9.5 Member Feedback

The Trustee is also required to have arrangements in place throughout the Period to encourage Members, or their representatives, to make their views about Crystal known to the Trustee.

Feedback is requested from Members in a number of ways and any feedback received is reported to the Trustee in the monthly Administration Reports. If any feedback needs addressing, it is done during the Trustee meeting and action is taken as decided by the Trustee.

The regular newsletters include a section entitled "We value your feedback" which invites Members (and Employers) to leave feedback via a survey link, to ensure that content of the newsletters remain relevant to Members and Employers. Over the reporting period 237,328 feedback forms were issued with 88 responses received from Members.

Members, their beneficiaries and representatives can provide feedback via telephone (01322 640530) or email (penadmin@evolepensions.co.uk) to the Administration team, who are responsible for responding to the feedback received. The contact details are also available on the Member section of the Evolve website and in newsletters. Evolve's contact information for Members is also included on all their communications, including emails.

Additionally, at the end of every Member communication, the Administrator requests feedback from Members, which is received to a dedicated inbox (Memberfeedback@evolvepensions.co.uk), monitored by the Head of Administration. Members can also leave reviews via Google Review and Trustpilot and these platforms are monitored with any feedback responded to by the Client Services team, with queries passed to the Administration team to action. Over the reporting period, 1,219 emails have been sent requesting feedback and the form has been completed 58 times with responses reviewed by the Administration team.

Between 1 August to 26 September 2022 a communication was sent to 80,621 Members inviting them to visit Trust Pilot and leave a review relating to their experience of the service they had experienced from Evolve. 359 Members accepted the invitation and added a review to Trust Pilot increasing the overall Trust Pilot score by 27.27%.

The Trustee has decided that the above methods of feedback are appropriate to the size of Crystal and electronic forms of communication are cost effective and more forward thinking for Members. However, the Trustee also appreciates that there are some Members who prefer to receive postal communications and every effort is made by the Administrator to accommodate this.

In addition, the Trustee is aware that there may be Members who are vulnerable and may require their information in a different format. The Development Committee agreed that further investigation was required to understand the needs of the Membership with responsibility for the actions and next steps delegated by the Development Committee to the ECC.

The actions included reviewing accessibility of the website and communications, preparing guidelines for vulnerable Members when drafting communications and providing additional training for the Administration team as 'front line' staff. Policies for Vulnerability and Accessibility have been drafted and are currently under review.

Vulnerability and Accessibility is a standing agenda item at all ECC meetings and work continues on this area in order to improve accessibility for Crystal Members.

9.6 Employer Feedback

Feedback is requested from Employers via the quarterly newsletter. Employers are able to complete the feedback survey in the "We value your feedback" section or email or telephone the Administration team at any time. Feedback is reported to the Development Committee and Trustee. If any feedback needs addressing, it is done during the relevant Committee meeting.

During the period 13,876 feedback forms were issued with 4 responses from Employers received.

The Trustee has decided that the above methods of feedback are appropriate to the size of Crystal and electronic forms of communication are cost effective and more forward thinking for Employers.

9.7 Social Media

The Trustee, through Evolve, has increased the number of methods of obtaining Member feedback by increasing the profile of Crystal on social media platforms such as Twitter, Facebook and LinkedIn.

A presence on these platforms also increases brand awareness of Crystal and Evolve to Members, Employers and the industry. It also allows the Trustee to focus specific, targeted content to the platforms most relevant for the audience.

From April 2022 to April 2023, 221 posts were shared across these three platforms.

10. What are the different sections in Crystal?

Crystal is separated into operational sections for the purpose of setting different operating parameters on the internal database system, which allows flexibility in setting different charging rates and investment options. This differs from a Partnership, where a third party may be involved in the initial set up, including charging and investment options due to the consolidation of a previous Master Trust occurring.

During the period, there were 8 different sections of Crystal:

- Crystal 25
- Crystal 30
- Crystal 40
- Crystal 40 plus Contribution Charge (CC)*
- Crystal 65
- Crystal Optess Partnership
- Bluesky section
- Drawdown

*Crystal 40 plus CC was closed on 1 July 2022, with all employers moved to Crystal 40. Further detail can be found in section 10.1.

10.1 Section Default

As noted, at the beginning of the period there were three default options within Crystal as follows:

- Lifestyle Strategy: Default for Crystal 40 (where selected by the employer), 40 plus CC (now closed), Optess, Crystal 65 and Bluesky section (where selected by the employer).
- TDFs: Default for Bluesky section and Crystal 40 section (where selected by the employer).
- Lifestyle (Cash): Default for Crystal 30 section (changed to Lifestyle Strategy in September 2022).

The investment default for each section as at the end of the reporting period is shown below:

- Crystal 25 – Lifestyle Strategy
- Crystal 30 –Lifestyle Strategy
- Crystal 40 – Lifestyle Strategy or TDFs[1]
- Crystal 40 plus CC – Lifestyle Strategy (closed 1 July 2022)
- Crystal 65 – Lifestyle Strategy
- Crystal Optess Partnership – Lifestyle Strategy
- Bluesky section – TDFs or Lifestyle Strategy[1]
- Drawdown – Opal fund

[1]For Crystal 40 and Bluesky sections, employers had the option to select either the Lifestyle Strategy or TDFs upon signing up.

As noted in the previous years' Chair's Statement, following a review by the Investment Committee it was agreed the default strategy for the Crystal 30 section would change to the Lifestyle Strategy, which was approved by the Trustee at the meeting on 24 March 2022. The change for Crystal 30 from the Lifestyle (Cash) fund to the Lifestyle Strategy took place 27 September 2022. Further details of the decision to change default is provided in sections 11.1 and 11.1.1.

Additionally, following review by the Trustee it agreed that the Crystal 40 plus CC section was closed with all Employers moved to the Crystal 40 section, which took place on 1 July 2022. The decision to close this section

was largely due to the change in flat fees no longer being applied to Funds under £100. The amount of administrative work and time spent on receiving the contribution charge was no longer proportionate.

Members did not see any change to their investments or how Crystal was run for them, the only change would have been for those active Members with Fund values above £100 as they were no longer charged a fixed fee.

11. Investments

11.1 Scheme Default Strategy

The overall investment objective of Crystal is to facilitate the investment requirements of the Members. This is split between those Members who default into the "do it for me" approach and those that require a range of governed funds to make their own choices, "self-select funds".

The Trustee offers a Lifestyle Strategy as the primary default for Accumulating Members, with the TDFs offered as an alternative default option.

At the beginning of the period there were three default options offered within Crystal for accumulation Members as follows:

- Lifestyle Strategy: Default for Crystal 25, Crystal 40 (where selected by the Employer), Crystal 40 plus CC (closed 1 July 2022), Optess and Crystal 65 sections, as well as some Members for specific Employers in the Bluesky section.
- TDFs: Default for Bluesky section and Crystal 40 (where selected by the Employer).
- Lifestyle (Cash): Default for Crystal 30 section (changed to Lifestyle Strategy in September 2022).

For the Crystal 30 section, the Lifestyle (Cash) was removed as the default and replaced with the Lifestyle Strategy, with the change having completed on 26 September 2022.

The TDFs remain the default strategy for the majority of the Bluesky section and the Crystal 40 section (where chosen by the employer). Further details of the review are shown in section 11.1.1.

The Lifestyle Strategy was designed in 2018 in collaboration with Crystal's Investment Consultant. The glidepath de-risks Members through a series of three custom multi-asset funds to ensure that a Member's risk level is always appropriate to their age. In addition, funds from the LGIM future world range have been integrated into these multi-asset funds so as to improve the ESG and Climate change credentials of the default.

The Trustee regularly reviews the Lifestyle to ensure continued appropriateness (see section 11.1.1 for the default reviews and section 12.6.1 for details of performance information). While no changes were made to the funds this year, the Trustee acknowledges that over time they would like to enhance the ESG integration within the strategy, as acknowledged at the Investment Committee on 1 September 2022.

For all the TDFs, AB carefully selects the managers that control the underlying funds in their TDFs through a bi-annual due diligence process that ensures they incorporate a review of their ESG and corporate responsibility policies. Following on from the previous year where the Trustees worked with AB to introduce a sustainable sleeve to the TDFs, AB has continued to work to develop the sleeve. In addition, components of this sleeve have been used to develop the Crystal Responsible Investment Fund. Both strategies are monitored by the Trustee with further ESG and Climate change integration in mind.

The Trustee installed the Lifestyle Strategy with the following key features in mind:

- Actively managed strategy monitored daily.
- Diversification across passive funds.
- Intelligent and age appropriate.
- Risk reduction towards retirement.
- Adjusts with market and economic changes.

11.1.1 Review of the Scheme Default arrangements' strategy and performance

A review of the default strategies and the performance of the default investment funds is undertaken each year by both the Trustee and the Investment Committee. The review of the default strategies focusses, in particular, on the extent to which the return on investments relating to the particular default strategy (both the primary default and other applicable defaults) (after deduction of any charges which are relevant to those investments) is consistent with the Trustee's aims and objectives in respect of the default strategy (as recorded

in the default SIP).

The Investment Committee meets quarterly and undertakes the annual investment review preparations, review of the default strategies, review of the investment managers, and review of the quarterly performance reports for all investment funds, including the self-select options and decumulation drawdown fund options. The Investment Committee then provide a summary of the reviews undertaken to the Trustee at the quarterly meetings.

Lifestyle Strategy (primary default)

During the most recent annual review of the default strategies on 20 September 2022, the Trustee was presented to by the Investment Consultant, DWA, who provided an analysis of the current position. The Trustee were advised that the Lifestyle Strategy remained suitable as the primary default strategy. While markets had been more turbulent in 2022, particularly within fixed income, the Trustee was reassured that the strategy continued to be well diversified with appropriate risk levels throughout a Member's journey to retirement with performance in line with expectations and strong relative to competitors.

The Trustee are pleased to note that LGIM's ESG goals coincided with the Trustee's ESG Beliefs, outlined in the SIP. The Trustee has begun collecting more frequent voting information from LGIM to help verify that they are voting in accordance with the Trustee's own beliefs.

Within the Lifestyle Strategy, the Trustee is pleased to see the continued implementation of LGIMs Climate Impact Pledge which has resulted in further engagement, tilting and exclusion within the Future World Range of funds. In addition, the Trustee completed their first regulatory TCFD report which confirmed continued improvement in the climate impact of the LGIM Future World funds. (see section 6.3).

The quantitative objective for the Lifestyle Strategy is to obtain an overall long-term return of CPI + 3% across the Member's lifetime, taking into account their likely variation in risk. The review of the Lifestyle Strategy revealed that historic returns were largely consistent with this objective, and that the Trustee was satisfied that the Lifestyle Strategy would be able to continue to meet this objective going forwards, despite recent market turmoil.

TDFs

During the most recent annual review of the default strategies on 20 September 2022, the Trustee was presented to by the Investment Consultant, DWA, who provided an analysis of the current position.

It was noted that the TDFs were suitable for use as a default strategy for the Bluesky section and Crystal 40 section (where selected by the Employers), providing a more sophisticated product that offers actively managed asset allocation which allows adjustments according to market conditions and needs.

The Trustee are pleased to note that AB's ESG goals coincided with the Trustee's ESG Beliefs, outlined in the SIP. As part of their commitment to their ESG goals, the Trustee has worked with AB to improve the credentials by including an Impact investment sleeve within the TDFs. This continued to be developed throughout the year.

For the TDFs an overall long-term objective of CPI + 4% is used, this strategy had also outperformed its objective and was expected to continue to do so. The Trustee continue to monitor the risk level and has found it to be appropriate at all stages.

Lifestyle (Cash)

During the period of the Statement the Lifestyle (Cash) was available as the default for the Crystal 30 section, up until 26 September 2022. This strategy has an overall long-term objective of CPI + 3% across a Member's lifetime. It was noted the strategy was not performing adequately enough to offer Value for Members due to the fund targeting cash and there were concerns around high inflation. This raised the question of whether the default remained appropriate for Members. The Trustee noted that Lifestyle (Cash) default had an inappropriately low risk at retirement, de-risking fully into cash, and if Members did not retire at their expected retirement date, then they would risk eroding the value of their Retirement Savings in real terms. It was therefore agreed that the default would be amended to the Lifestyle Strategy. This change was completed on 26 September 2022.

Review

Going forward both default strategies (Lifestyle Strategy and TDFs) options are monitored and reviewed on a quarterly basis, with a fuller review on an annual basis. The Trustee remains comfortable that these default strategies remain suitable for the Membership.

The Trustee otherwise concluded that both the Lifestyle Strategy and the TDF default strategy for Members in the Bluesky section and Crystal 40 section (where chosen by the employer) continue to meet the aims and objectives as set out in the default SIP. The Trustee agreed the default strategies remained appropriate, and that no additional changes, would be made to the default strategies. The Trustee continues to consider potential improvements to all Crystal's offerings.

In summary, the measures that have been taken to achieve compliance are as follows:

- Quarterly investment reviews of all investment fund performance took place during the period, presented by the Investment Consultant at each Investment Committee meeting. The Trustee was then provided with a high- level overview by the Committee and a copy of the minutes are made available to the Trustee.
- A full annual review of the performance of the default investment funds was presented to the Trustee board at the Trustee meeting on 20 September 2022 by the Investment Consultant. They confirmed that the Lifestyle remained suitable for Members as the Lifestyle Primary Scheme Default option and that the TDFs remained suitable for Members as the Alternative Scheme / Partner Default option for the Bluesky section.
- The Triennial Review of the Lifestyle was completed on 1 September 2022. The Trustee remained satisfied that LGIM remains a strong passive provider at a competitive cost with innovative ESG integration. The Trustee committed to enhancing the ESG integration of the lifestyle in the future.
- The SIP was updated and approved by the Trustee six times during the period, with the final update within the period being approved on 29 March 2023. There have since been other reviews after the period end. A copy of the final version of the SIP that was approved during the period is attached as an appendix.
- An implementation statement will be completed alongside this document to cover the period.

In the table below we summarise the results of reviews of each default into a single table.

	Lifestyle Strategy (Primary Default)	TDFs (Bluesky Crystal 40 Default)	Lifestyle (Cash) (Crystal 30) (until 26 September 2022)
Fit with Membership profile	✓	✓	✓
Value for money	✓	✓	✓
Fit with Member beliefs	✓	✓	✓
Future proof	✓	✓	✓
Appropriate risk/reward profile	✓	✓	✓

As noted in the last Chair's Statement for Crystal 30 it was determined that the Lifestyle (Cash) default could be detrimental to Members as being fully invested in a Cash fund at retirement risked the erosion of assets in real terms if assets were not withdrawn at the expected date. The assets in Lifestyle (Cash) were transitioned to the Lifestyle Strategy on 26 September 2022 in order to provide a more appropriate risk return profile as well as better ESG integration. From this point the Lifestyle Strategy became the default for this section.

The Trustee is comfortable that their Investment Consultant is reviewing all the defaults and are satisfied they remain appropriate.

The table below shows our understanding of the Regulatory requirements, denoted with an "R" in boxes below:

	Triennial Review	Annual Review	Quarterly Monitoring	
Membership Analysis	R✓	✓		The Investment Consultant checks Membership data annually to ensure there have been no significant changes in the Member demographic. On a triennial basis both the Investment Consultant and the investment manager perform a more detailed analysis to determine if the risk levels of the default require adjustment.
Review of Fund Qualitative	R✓	✓	✓	This is done continuously and reported Quarterly through Fund Monitoring Report with details in the Quarterly Monitoring Reports and Annual Review
Review of Strategy	R✓	✓	✓	Provided in the Quarterly Monitoring Reports
Performance of Strategy	R✓	✓	✓	Provided in the Quarterly Monitoring Reports
Performance of Fund	R✓	R✓	✓	Provided in the Quarterly Monitoring Reports
Industry/peer comparison	R✓	✓	✓	Provided in the Quarterly Master Trust Universe Comparison

The Trustee believes they are going beyond their regulatory requirements.

11.1.2 Member Analysis

As part of the review process the Investment Consultant conducted its annual Member analysis of accumulating Members within Crystal and presented its findings to the Investment Committee at their meeting on 23 May 2022. The analysis considered various components of Member demographics including the profile of Crystal by age, asset size and number of Members. The Investment Consultant also looked at Members that had transferred out, including those that had transferred to Crystal's Drawdown offering.

The findings presented to the Investment Committee included:

- The Membership demographics remained largely unchanged since the previous year. This added weight to the conclusion that the defaults remained suitable.
- Majority of Members were invested in an appropriate default strategy, bulk of Members targeting retirement at age 65 but drawing benefits from 55 to 70. The default strategies are suitable to facilitate this. A few Members were found to be invested in funds that would imply a retirement date outside of this range and these Members have been contacted to confirm that this choice is intentional.
- Some members within the Shariah self-select were reaching an age where derisking may be more desirable.
- Average pot size is around £6,100, this was an increase on the previous year.
- Majority of assets are in the TDFs held in the Bluesky section, though the Lifestyle Strategy assets were growing.
- Exposure is well diversified by Employer, risk of a departing employer affecting Scheme viability is therefore relatively low.

11.1.3 Environmental, Social & Governance (ESG) Considerations

The Trustee and Investment Committee continued to consider ESG issues during this period, as they realise these issues can impact the performance of portfolios and are committed to addressing these issues thoughtfully and responsibly.

The default strategies' investment managers, LGIM and AB, have shared their ESG policies with us, which the Trustee has summarised in the Chair's Statement appendices to show the importance of the investment managers and Trustee working together and being satisfied of the overall approach to ESG and

responsibilities. These statements can be found in Appendix (i) for LGIM's and (ii) for AB's. The platform provider, Mobius Life has also provided an ESG statement found in Appendix (iii).

In summary, the default manager, LGIM, is a signatory to the United Nations Principles for Responsible Investment (UN PRI), and in 2021 won a best in class award. The manager is an active steward, engaging with 571 companies and voting on 180,200 resolutions. As part of their climate impact pledge, they assess the climate impact of issuers and remove the worst offenders from their future world range, which is used within the Lifestyle Strategy, whilst tilting towards issuers with better ESG credentials.

The TDFs investment manager, AB, became a signatory to the United Nations Principles for Responsible Investment (UN PRI) on 1 November 2011, which outlines a set of six principles that provide a global standard for responsible investing as it relates to environmental, social and corporate governance. Their primary approach to ESG incorporation is through "Integration" where they believe the bottom-up integration of ESG factors into their research and investment processes is important to identifying investment risks as well as opportunities.

AB has a long-standing disciplined equity research process which includes ESG factors, and all their fundamental analysts assess carefully if ESG factors could have a material impact on their forecasts and investment decisions. They also utilise a variety of other external data sources, such as third party ESG specialists, sell side research, non-governmental organisational articles and industry body reports. Importantly, a key method in which they implement integration of ESG issues is through a two-pronged approach to active ownership: 1) Directly engaging with issues as part of research processes, and 2) voting per AB's in-house proxy policy which incorporates ESG factors. AB has significant experience with applying a variety of ESG screens (positive, negative, best in class) and customising portfolios to meet client requirements.

When considering the TDFs, the strategy primarily utilises a selection of third-party managed underlying funds, however AB has been increasing the amount of AB managed funds within the strategy, as well as developing segregated mandates with the underlying managers to better allow them to exercise their stewardship responsibilities. When selecting underlying managers, AB go through a bi-annual due diligence process, which also incorporates reviewing ESG and corporate responsibility policies. As mentioned previously, in order to better integrate ESG into the TDFs the Trustee has worked with AB to integrate a sustainable sleeve into the strategy which continues to develop.

The Trustee, in line with preparing for TCFD reporting, has also been developing a climate change policy to sit alongside their ESG policies, this has also been shared with managers and in line with TCFD reporting the Trustee is comfortable that the Trustee can work with their managers to achieve their Climate goals.

11.2 Statement of Investment Principles for the default strategies

The Trustee has prepared a SIP governing decision about investments to ensure that the overall objective of Crystal is met, which is to facilitate the investment requirements of the Members. The SIP was updated and approved several times within the period:

- On 24 May 2022 to reflect changes in the investment range
- On 9 June 2022 to include additional wording on risk of the Alternative Default – Customised TDFs
- On 6 July 2022 to include the new Opal fund
- On 4 October 2022 to remove the ex-Supertrust legacy default
- On 20 February 2023 to include a member guide
- On 29 March 2023 to update the stewardship and voting policy

The SIP was most recently reviewed after the end of this period and a copy is attached as an appendix. During this review, the Trustee ensured the SIP document reflected the objectives, strategy and performance of all Crystal's investments.

Prior to retirement, a default strategy is available, either the Lifestyle Strategy or TDFs, in order to reduce the risk of Members inadvertently making poor choices. For Members in decumulation who make no decision about how to access their money, the Opal fund has been made available, which replicates the Protection Fund used within the Lifestyle Strategy.

The SIP covers key matters in relation to the default strategies in the section of the SIP entitled Current

Investment Strategy, and where the term 'the default SIP' is used throughout this document, this refers to this section of the SIP. The key matters in relation to the default strategies covered by the default SIP include:

- the Trustee's aims and objectives in relation to the investments held in the default strategies.
- the Trustee's policies on issues such as: the kinds of investments to be held; the balance between the different kinds of investments; risks, including the ways in which risks are to be measured and managed; the expected return on investments; the realisation of investments; and the extent (if at all) to which social, environmental, or ethical considerations are made when selecting, retaining or realising investments.
- an explanation of how these aims, objectives and policies (which together form the Trustee's default strategy) are intended to ensure that assets are invested in the best interests of Members whose benefits are invested in the default strategies.

11.3 Self-Select range

The Trustee offers a range of 7 investment strategies, in addition to the Lifestyle Strategy. Each strategy within Crystal is monitored by the Trustee, Investment Consultant and Investment Committee which ensures the funds are managed effectively and perform in line with the Trustee's expectations and objectives.

The Bluesky section of Crystal and the Crystal 30 section both have their own range of self-select funds, these are detailed in the charges section of this document.

Further information on the self-select range is available online.

11.4 Drawdown strategies

The Trustee offers five flexible options to drawdown using the product names Aqua, Jade, Onyx, Ruby and Opal.

Aqua enables Members to select a monthly pay out amount with the Trustee managing expectations around the duration these payments can be maintained. The investment strategy selected to meet this objective is the TDFs.

Jade is designed to allow Members to choose their monthly income, similar to that of a non-escalating joint life annuity. The investment strategy selected to meet this objective is AB's Retirement Bridge.

Onyx Evergreen enables Members to receive a regular monthly pay out amount which is calculated with the aim of protecting the original capital investment but still allowing an income. The investment strategy selected to meet this objective is AB's Evergreen fund.

Ruby enables Members to select periodic pay out amounts without the requirement for regular monthly payments. The investment strategy selected to meet this objective is TDFs.

Opal is the default option for Members who make no choice. It utilises the Protection Fund used within the Lifestyle Strategy.

The performance of the investment strategies in place are reviewed quarterly at each Trustee meeting with in-depth strategy reviews annually, which includes ensuring that the underlying investment funds remain appropriate to the overall objectives of each drawdown option.

During the period the Trustee carried out its annual review and made no adjustments to the funds, objectives or strategies of the Drawdown section.

12. Benefits

The Trustee offers a concise and clearly communicated range of pension benefits for which, beyond the charges set out in section 12, there are no additional charges or early release penalties, with the exception of the Administrator's charge for the execution of Pension Sharing Orders on divorce. The fee for the execution of Pension Sharing Orders is either £1,850 for an external transfer or £2,250 for an internal transfer and establishing a new record for the ex-spouse. This fee is levied on the Member or as detailed in the Pension Sharing Order when the Administrator is required to implement the service.

Individuals/Members that transfer out of the decumulation section of Crystal within one year of joining will be subject to a full year's Annual Management Charge (AMC).

12.1 Annual Management Charge (AMC)

A flat rate charging structure is applied to all Members known as an Annual Management Charge (AMC). The AMC covers all costs covering the operation, administration, investment and management of Crystal which are borne by the Trustee from April of each year, for the next 12 months, and is collected monthly by unit price adjustment or selling of units depending on section. This fee varies by section invested in as well as fund selection.

We split out these costs in to two broad categories:

- Admin Fees – the fees taken by Evolve in respect of running Crystal
- Investment Costs – the fees taken by the Investment Manager

Members are advised of the AMC on the Fund Factsheets available online.

Investment charges are specific to the fund selected and are disclosed with individual fund information.

Below describes charges across the investment options available under Crystal during the reporting period, which are reviewed and approved at least annually by the Trustee:

12.1.1 Admin Fees

Scheme Defaults
The primary default of the Lifestyle Strategy is designed to be available as a default choice for Members who join Crystal. The remaining investment options are available as non-default, self-select options for Members.

As noted, at the beginning of the period there were four defaults within Crystal as follows:

- Lifestyle Strategy: Default for Crystal 40 (where selected by the Employer), 40 plus CC (now closed), Optess and 65 sections, as well as for specific Employers in the Bluesky section where selected.
- TDFs: Default for the majority of Bluesky section and Crystal 40 (where selected by the Employer)
- Lifestyle (Cash): Default for Crystal 30 section (updated to the Lifestyle Strategy on 26 September 2022).

Where a section has a different default to the Lifestyle Strategy, the Lifestyle Strategy is also available for Members to invest in as a non-default option.

As noted previously, following review by the Trustee and its Investment Consultant of the Lifestyle (Cash) as default for the Crystal 30 section, it was agreed this would also be changed to the Lifestyle Strategy, which took place on 26 September 2022. See section 11.1.1 for more details.

Charges for the default arrangements are disclosed in the tables in sections 12.1.1, 12.1.2, 12.1.2.1 and 12.1.3. Costs are assumed to be consistent with the period. Transaction costs are given as close to a 5 year average as is possible for each individual fund. The explicit transaction costs, as provided by Mobius and LGIM, are given in the final column. These are not included within the TER. For funds which had no investment over the period the Trustee has given a transaction cost figure of 0%. All transaction costs are for the period up to 31 March 2023.

Sections

Section	Administration Charge	Default
Crystal 25	This section has an Admin Charge of 0.25%.	The default for this section is the Lifestyle Strategy.
Crystal 30	This section has an Admin Charge of 0.30%. A Member charge is also applied for the running of Crystal 30, on a quarterly basis of £4.50 per quarter*. *This fee is not deducted from Members with a Fund of less than £100.	The default of this section is the Lifestyle (Cash) strategy. The default for this section was changed to the Lifestyle Strategy on 26 September 2022. For further information please see section 11.1.1.

Crystal 40	This section has an Admin Charge of 0.40%.	The default for this section is the Lifestyle Strategy or TDFs (depending on which was chosen by the employer on joining Crystal).
Crystal 40 plus CC (section now closed)	This section had an Admin Charge of 0.40% and charges a contribution charge of £1.50 a month, or £0.35 a week to each active Member per pay period. The charge covered the administration for the transaction.	The default for this section was the Lifestyle Strategy. This section is closed with effect from 1 July 2022 and all Members moved to Crystal 40.
Crystal 65	This section has an Admin Charge of 0.65%.	The default for this section is the Lifestyle Strategy.
Crystal OPTESS Partnership	This section has an Admin Charge of 0.40% and charges a variable contribution fee depending on the amount contributed by the Member. **Contribution** ***per Month*** — ***Contribution Fee**** *Over £15.00* — *£1.50* *£6.00-£15.00* — *£0.60* *Under £6.00* — *£0.00* *This fee is not deducted from Members with a Fund of less than £100.	The default for this section is the Lifestyle Strategy.
Bluesky section	This section has an Admin Charge of 0.45%.	The Bluesky section continues to use the TDFs as the default for the majority of Members. Some Employers have selected to use the Lifestyle Strategy as their default instead.
Drawdown	This section has a variable Admin Charge depending on the fund and method of drawdown selected. Further details can be found in section 12.1.3.	The default for this section is Opal.

12.1.2 Investment Costs – Accumulation (savings)

In the tables that follow we set out the investment costs of each default. These costs should be added to the sections' Admin Fees (as stated in the above table) to get the full AMC. Where a section has a single Admin fee the Trustee has included the Admin Fee in the tables to provide more complete information.

The charges below contain details of transaction costs which are calculated using Slippage Methodology. Slippage measures the market value prior to a trade, and the value of the assets once executed. The FCA's approach of Slippage, while a suitable measure for some investments, does have difficulties when applied to bond markets, or to "fund of fund" structures.

For a "fund of fund" structure such as TDFs (which is used as a scheme default), the biggest "transaction charge" will occur when the Member trades in or out of a fund. This is because the underlying funds will have bid-offer spreads which impact the pricing of a single swinging priced fund (depending on whether there are more investments or disinvestments on a particular day, the TDF will swing to either the higher offer price or the lower bid price).

12.1.2.1 Crystal 25, 40, 40 plus Contribution Charge and 65 sections

Lifestyle Strategy
Applies to Crystal 40 section (where selected by the Employer), 40 plus Contribution Charge (now closed), Optess, Crystal 65 section and Crystal 25 section (after 1 April 2022).

Fund	Investment	Platform	Total	Transaction Costs*
Lifestyle	0.10%	0.00%	0.10%	Variable
Growth	0.10%	0.00%	0.10%	0.027%
Core	0.10%	0.00%	0.10%	0.025%
Protection	0.10%	0.00%	0.10%	0.025%

**The Transaction Costs vary between strategies within the Lifestyle Strategy, depending on the members allocation between the three components. A number of the underlying transaction costs would have been negative due to the anti-dilution offset, and as such have been treated as if they were zero. These may not be negative in future years. LGIM provided Transaction costs at an underlying fund level which the Trustee has provided a weighted average for to calculate the Scheme fund level. In practice there may be some additional costs.*

Target Date Funds

Applies to Crystal 40 section (where selected by the Employer).

Members in Crystal can also select to invest in the TDFs, the underlying strategy is identical to those used as a default for the Bluesky section.

Fund	Investment	Platform	Total	Transaction Costs
Crystal Trust Target Date 2023-2025 Retirement Fund	0.19%	0.04%	0.23%	0.119%
Crystal Trust Target Date 2026-2028 Retirement Fund	0.19%	0.04%	0.23%	0.064%
Crystal Trust Target Date 2029-2031 Retirement Fund	0.19%	0.04%	0.23%	0.057%
Crystal Trust Target Date 2032-2034 Retirement Fund	0.19%	0.04%	0.23%	0.047%
Crystal Trust Target Date 2035-2037 Retirement Fund	0.19%	0.04%	0.23%	0.041%
Crystal Trust Target Date 2038-2040 Retirement Fund	0.19%	0.04%	0.23%	0.044%
Crystal Trust Target Date 2041-2043 Retirement Fund	0.19%	0.04%	0.23%	0.043%
Crystal Trust Target Date 2044-2046 Retirement Fund	0.19%	0.04%	0.23%	0.046%
Crystal Trust Target Date 2047-2049 Retirement Fund	0.19%	0.04%	0.23%	0.041%
Crystal Trust Target Date 2050-2052 Retirement Fund	0.19%	0.04%	0.23%	0.047%
Crystal Trust Target Date 2053-2055 Retirement Fund	0.19%	0.04%	0.23%	0.047%
Crystal Trust Target Date 2056-2058 Retirement Fund	0.19%	0.04%	0.23%	0.041%
Crystal Trust Target Date 2059-2061 Retirement Fund	0.19%	0.04%	0.23%	0.041%
Crystal Trust Target Date 2062-2064 Retirement Fund	0.19%	0.04%	0.23%	0.041%
Crystal Trust Target Date 2065-2067 Retirement Fund	0.19%	0.04%	0.23%	0.041%
Crystal Trust Target Date 2068-2070 Retirement Fund	0.19%	0.04%	0.23%	0.042%

A number of the underlying transaction costs would have been negative due to the anti-dilution offset, and as such have been treated as if they were zero. These may not be negative in future years.

Crystal Non-Default Funds

Below we list the non-default funds available within Crystal. The self-select range for an employer will also include any of the defaults not selected for use.

Active Target Date Funds

Applies to Crystal 25 section (as noted subsequently changed to Lifestyle Strategy from 1 April 2022).

Fund	Investment	Platform	Total	Transaction Costs
Crystal Active 2017-2019 Retirement Fund	0.46%	0.04%	0.50%	0.067%
Crystal Active 2023-2025 Retirement Fund	0.46%	0.04%	0.50%	0.088%

Crystal Active 2026-2028 Retirement Fund	0.46%	0.04%	0.50%	0.079%
Crystal Active 2029-2031 Retirement Fund	0.46%	0.04%	0.50%	0.075%
Crystal Active 2032-2034 Retirement Fund	0.46%	0.04%	0.50%	0.076%
Crystal Active 2035-2037 Retirement Fund	0.46%	0.04%	0.50%	0.086%
Crystal Active 2038-2040 Retirement Fund	0.46%	0.04%	0.50%	0.090%
Crystal Active 2041-2043 Retirement Fund	0.46%	0.04%	0.50%	0.088%
Crystal Active 2044-2046 Retirement Fund	0.46%	0.04%	0.50%	0.089%
Crystal Active 2047-2049 Retirement Fund	0.46%	0.04%	0.50%	0.097%
Crystal Active 2050-2052 Retirement Fund	0.46%	0.04%	0.50%	0.097%
Crystal Active 2053-2055 Retirement Fund	0.46%	0.04%	0.50%	0.097%
Crystal Active 2056-2058 Retirement Fund	0.46%	0.04%	0.50%	0.089%
Crystal Active 2059-2061 Retirement Fund	0.46%	0.04%	0.50%	0.097%
Crystal Active 2062-2064 Retirement Fund	0.46%	0.04%	0.50%	0.065%
Crystal Active 2065-2067 Retirement Fund	0.46%	0.04%	0.50%	0.064%
Crystal Active 2068-2070 Retirement Fund	0.46%	0.04%	0.50%	0.097%

A number of the underlying transaction costs would have been negative due to the anti-dilution offset, and as such have been treated as if they were zero. These may not be negative in future years.

Strategies with no age related returns

Fund	Investment	Platform	Total	Transaction Costs
Crystal Active Dynamic Diversified Growth Fund	0.46%	0.04%	0.50%	0.123%
Crystal Cash Fund	0.05%	0.00%	0.05%	0.017%
Protection Fund	0.10%	0.00%	0.10%	0.025%
Growth Fund	0.10%	0.00%	0.10%	0.027%
Crystal Shariah Fund	0.30%	0.04%	0.34%	0.016%
Crystal Responsible Investment Fund	0.55%	0.04%	0.59%	0.372%

A number of the underlying transaction costs would have been negative due to the anti-dilution offset, and as such have been treated as if they were zero. These may not be negative in future years.

12.1.2.2 Section - Crystal 30

This section was introduced to help facilitate a transfer in, replicating the investments held within the transferring scheme.

This section charges a 0.30% Admin Charge. As there is only a single Admin fee in this section the Trustee has included it in the table to offer more complete information. There is a Member Charge also applied for the running of Crystal. This is applied on a quarterly basis and is £4.50 per quarter (£18.00 per annum).

Members were automatically invested in a default Lifestyle (Cash) which targets cash. They were then able to elect to target annuity or drawdown instead if they prefer.

As noted in the last Chair's Statement for Crystal 30 it was determined that the Lifestyle (Cash) default could be detrimental to Members as being fully invested in a Cash fund at retirement risked the erosion of assets in real terms if assets were not withdrawn at the expected date. The assets in Lifestyle (Cash) were transitioned to the Lifestyle Strategy on 26 September 2022 in order to provide a more appropriate risk return profile as well as better ESG integration. From this point the Lifestyle Strategy became the default for this section.

Fund	Investment	Admin	Total	Transaction Costs
Lifestyle	0.10%	0.30%	0.40%	Variable
Growth	0.10%	0.30%	0.40%	0.027%
Core	0.10%	0.30%	0.40%	0.025%
Protection	0.10%	0.30%	0.40%	0.025%
Lifestyle (Cash) - **CLOSED**	0.08%	0.30%	0.38%	Variable
Lifestyle (Annuity)	0.08%	0.30%	0.38%	Variable
Lifestyle (Drawdown)	0.08%	0.30%	0.38%	Variable

Note: The Transaction Costs vary between strategies within the Lifestyle Strategy, depending on the members allocation between the three components. The Lifestyle (Cash) strategy's all start by being invested in the World Equity Index Fund, before moving into the Diversified Fund and finally into the Cash Fund, Pre-Retirement Fund or Retirement Income Multi-Asset Fund respectively. Transaction costs for each of these funds can be found in the Self-select table below. A number of these transaction costs are negative due to the anti-dilution offset, and as such the Trustee has adjusted them to be 0. These may not be negative in future years. The TER does not include the quarterly admin fee.

Self-Select

Crystal 30 has its own self-select range detailed below:

Fund	Investment	Admin	Total	Transaction Costs
Corporate Bond All Stocks Fund	0.075%	0.30%	0.375%	0.000%
Cash	0.075%	0.30%	0.375%	0.014%
Global Equity Fixed Weight (50:50) Fund	0.090%	0.30%	0.390%	0.038%
Pre-Retirement Fund	0.075%	0.30%	0.375%	0.022%
Pre-Retirement Inflation Linked Fund	0.075%	0.30%	0.375%	0.074%
UK Equity Fund	0.050%	0.30%	0.350%	0.015%
World (Ex UK) Equity Index Fund	0.075%	0.30%	0.375%	0.022%
World Emerging Market Fund	0.350%	0.30%	0.650%	0.026%
Diversified Fund	0.300%	0.30%	0.600%	0.000%
Dynamic Diversified Fund	0.400%	0.30%	0.700%	0.081%
Hybrid Property (70:30) Fund	0.500%	0.30%	0.800%	0.000%
World Equity Index Fund	0.075%	0.30%	0.375%	0.013%
Retirement Income Multi-Asset Fund	0.350%	0.30%	0.650%	0.042%
Crystal Shariah Fund	0.340%	0.30%	0.640%	0.016%
Crystal Responsible Investment Fund	0.590%*	0.30%	0.890%	0.372%
Member Specialty Funds				
Over 15 Year Gilts Fund	0.050%	0.30%	0.350%	0.055%
Over 5 Year Index-Linked Gilts Fund	0.050%	0.30%	0.350%	0.091%
All Stocks Gilts Index Fund	0.050%	0.30%	0.350%	0.051%
Global Real Estate Fund	0.250%	0.30%	0.550%	0.053%
Asia (Ex Japan) Developed Equity	0.075%	0.30%	0.375%	0.011%

Note: A number of these transaction costs are negative due to the anti-dilution offset, and so have been adjusted to zero. These may not be negative in future years. The TER does not include the quarterly admin fee.

12.1.2.3 Section - Bluesky

This is the legacy section of Bluesky Members created when the Bluesky Pension Scheme merged into Crystal. The Bluesky section continued to use the TDFs as the default for the majority of Members' investments, although some Employers in this section have chosen the Lifestyle Strategy as their default. While the investment strategy is identical to the Crystal Retirement Strategies, at the end of the period they were separate funds. As there is only a single Admin fee for the Bluesky default section the Trustee has included it in the table to offer more complete information.

Bluesky section Default

Fund	Investment	Platform	Admin	Total	Transaction Costs
BlueSky Target Date 2008-2010 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.066%
BlueSky Target Date 2011-2013 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.067%
BlueSky Target Date 2014-2016 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.067%
BlueSky Target Date 2017-2019 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.066%

BlueSky Target Date 2020-2022 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.061%
BlueSky Target Date 2023-2025 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.055%
BlueSky Target Date 2026-2028 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.048%
BlueSky Target Date 2029-2031 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.043%
BlueSky Target Date 2032-2034 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.045%
BlueSky Target Date 2035-2037 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.049%
BlueSky Target Date 2038-2040 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.046%
BlueSky Target Date 2041-2043 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.043%
BlueSky Target Date 2044-2046 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.043%
BlueSky Target Date 2047-2049 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.043%
BlueSky Target Date 2050-2052 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.043%
BlueSky Target Date 2053-2055 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.042%
BlueSky Target Date 2056-2058 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.042%
BlueSky Target Date 2062-2064 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.041%
BlueSky Target Date 2065-2067 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.040%
BlueSky Target Date 2068-2070 Retirement Fund	0.19%	0.04%	0.45%	0.68%	0.039%
LGIM Lifestyle	0.1000%	0.000%	0.450%	0.55%	Variable
Growth Strategy	0.1000%	0.000%	0.450%	0.55%	0.027%
Core Strategy	0.1000%	0.000%	0.450%	0.55%	0.025%
Protection Strategy	0.1000%	0.000%	0.450%	0.55%	0.025%

Note: A number of the transaction costs for underlying funds were negative due to the anti-dilution offset and so have been adjusted to zero. These may not be negative in future years.

Bluesky section Non-Defaults

The Bluesky section has its own range of self-select funds.

Fund	Investment	Platform	Admin	Transaction Costs
Emerging Markets	0.7125%	0.040%	0.450%	0.228%
Global Equity Active	0.7500%	0.040%	0.450%	0.114%
Global Equity Passive	0.0400%	0.040%	0.450%	0.018%
UK Equity Active	0.6750%	0.040%	0.450%	0.225%
Cash	0.0500%	0.040%	0.450%	0.017%
Ethical	0.3000%	0.040%	0.450%	0.010%
Bond	0.6250%	0.040%	0.450%	0.624%
Property	0.1750%	0.040%	0.450%	0.056%
UK Small Cap	0.5000%	0.040%	0.450%	0.046%
Shariah	0.3000%	0.040%	0.450%	0.021%
Crystal Responsible Investment Fund	0.5500%	0.040%	0.450%	0.372%

Note: A number of the transaction costs for underlying funds were negative due to the anti-dilution offset and so have been adjusted to zero. These may not be negative in future years.

The SIP has been updated to reflect the changes in the Accumulation investment strategy.

12.1.3 Investment Costs - Decumulation funds (drawing income)

Charges for the decumulation section are disclosed in the table below. Costs are assumed to be consistent with the 2022-2023 Scheme year. Transaction costs are given as close to a 5 year average as is possible for each individual fund. As more data becomes available, we will move towards the 5-year average preferred by the

regulations. The explicit transaction costs, as provided by Mobius, are given in the final column. These are not included within the TER. Where 'n/a' is given for transaction costs these costs were not available as there are no Member funds and therefore no generation of transaction costs.

Drawdown Default

Members who do not make a choice and do not respond to communication attempts are put in the following default fund. Opal is identical in investment strategy to the Protection fund used in the Lifestyle Strategy. As there is only a single Admin fee in this section the Trustee has included it in the table to offer more complete information.

Fund	Investment	Platform	Administration	Total	Transaction Costs
Opal	0.10%	0.00%	0.40%	0.50%	0.0254%

Drawdown Self-Select

Fund	Investment	Platform	Administration	Total	Transaction Costs
Jade RB 1948	0.25%	0.04%	0.46%	0.75%	0.088%
Jade RB 1949	0.25%	0.04%	0.46%	0.75%	0.080%
Jade RB 1950	0.25%	0.04%	0.46%	0.75%	0.075%
Jade RB 1951	0.25%	0.04%	0.46%	0.75%	0.071%
Jade RB 1952	0.25%	0.04%	0.46%	0.75%	0.068%
Jade RB 1953	0.25%	0.04%	0.46%	0.75%	0.064%
Jade RB 1954	0.25%	0.04%	0.46%	0.75%	0.061%
Jade RB 1955	0.25%	0.04%	0.46%	0.75%	0.060%
Jade RB 1956	0.25%	0.04%	0.46%	0.75%	0.057%
Jade RB 1957	0.25%	0.04%	0.46%	0.75%	0.057%
Jade RB 1958	0.25%	0.04%	0.46%	0.75%	0.056%
Jade RB 1959	0.25%	0.04%	0.46%	0.75%	0.058%
Jade RB 1960	0.25%	0.04%	0.46%	0.75%	0.057%
Jade RB 1961	0.25%	0.04%	0.46%	0.75%	0.068%
Jade RB 1962	0.25%	0.04%	0.46%	0.75%	0.101%
Jade RB 1964	0.25%	0.04%	0.46%	0.75%	0.056%
Jade RB 1965	0.25%	0.04%	0.46%	0.75%	0.062%
Jade RB 1966	0.25%	0.04%	0.46%	0.75%	0.068%
Jade RB 1967	0.25%	0.04%	0.46%	0.75%	0.100%
Onyx Evergreen	0.25%	0.04%	0.46%	0.75%	0.070%
Crystal Trust Aqua & Ruby 2008-2010	0.19%	0.04%	0.49%	0.72%	0.033%
Crystal Trust Aqua & Ruby 2011-2013	0.19%	0.04%	0.49%	0.72%	0.067%

Crystal Trust Aqua & Ruby 2014-2016	0.19%	0.04%	0.49%	0.72%	0.068%
Crystal Trust Aqua & Ruby 2017-2019	0.19%	0.04%	0.49%	0.72%	0.067%
Crystal Trust Aqua & Ruby 2020-2022	0.19%	0.04%	0.49%	0.72%	0.068%
Crystal Trust Aqua & Ruby 2023-2025	0.19%	0.04%	0.49%	0.72%	0.063%
Crystal Trust Aqua & Ruby 2026-2028	0.19%	0.04%	0.49%	0.72%	0.059%
Crystal Trust Aqua & Ruby 2029-2031	0.19%	0.04%	0.49%	0.72%	0.046%
Crystal Trust Aqua & Ruby 2032-2034	0.19%	0.04%	0.49%	0.72%	0.048%
Crystal Trust Aqua & Ruby 2038-2040	0.19%	0.04%	0.49%	0.72%	0.093%
LGIM Sterling Liquidity	0.075%	0.00%	0.425%	0.50%	0.017%

Note – RB is Retirement Bridge. A number of the transaction costs for underlying funds were negative due to the anti-dilution offset and so have been adjusted to zero. These may not be negative in future years.

12.2 Drawdown

Crystal maintains its stance as a market innovator with the early adoption of flexi access drawdown options. Members therefore benefitted from access to drawdown options from the very outset of Pensions Freedoms (when the tax rules were changed to give people greater and more flexible access to their pensions).

Drawdown options are available in a robustly governed framework with a cost-effective charging structure.

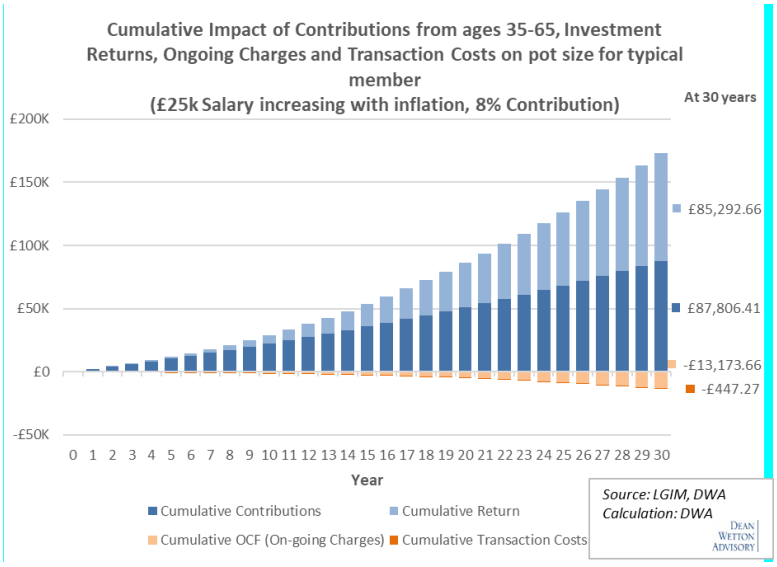
Crystal continues to consider how best to meet Member needs, especially in light of the FCA's proposed pathways.

12.3 Costs and Charges:

Every year the Trustee gathers information on charges and member-borne transaction costs relating to Crystal. In this context "charges" means (subject to some specific exceptions, such as pension sharing orders) all administration charges other than transaction costs. Transaction costs are costs incurred because of the buying, selling, lending, or borrowing of investments.

During the period, the Trustee approached their providers to detail all costs and charges to the extent that it was possible. The Investment Consultant has written to all fund managers where Crystal's assets are held and requested full calculations of costs for the period using the "slippage" methodology to ensure transparency is achieved. Where the manager has been responsible for the product the manager provided transaction cost information has been used. Where Crystal has blended funds on a strategic basis the weighted average transaction costs of the underlying blends has been used, as the blending manager has been unable to provide this data for the blend. The Trustee believe this is a reasonable basis on which to calculate the transaction costs and consistent with the process used for investing in each case. The Trustee is satisfied that the Investment Consultant was able to obtain all of the information that was needed in respect of costs and charges.

Below the Trustee displays the cumulative effects of the costs and charges on a Member who starts a pot at the age of 35 and saves for 30 years in the Crystal 65 section. This example was selected as it is a fairly typical Member, as new entrants to Crystal will typically be invested in the Crystal 65 section by default, and by showing the journey across the 30 years from 35-65 we see how the changing glidepath of the investment affects the Member as they approach retirement age. In the subsequent tables we look at further Members invested in different funds to gain more insight into how differing investment affect the overall Member experience.



Assumptions: The chart assumes the Member invests in the Lifestyle Strategy in the Crystal 65 section, which the Trustee has assumed to achieve its stated return objective of gross returns of inflation + 3.5% each year far from retirement and inflation +1% at retirement, moving between these two points. The Member is assumed to have a starting salary of £25,000, which rises with an assumed inflation of 2.5% a year. This is intended to be a round number broadly representative of a UK median salary but actual salaries may vary. The Member is having 8% of their salary contributed each year in line with the auto enrolment minimum.

Over time a significant amount of costs are incurred, this can seem daunting in isolation, however, the chart above puts these costs into context by showing them against contributions and expected invested returns. This helps demonstrate the value for money that the default Lifestyle Strategy offers.

The tables below show the cumulative effect of costs on the expected returns of a representative sample of funds within Crystal and have been prepared with due regard to the statutory guidance. In each of the following sections we consider the impact of costs and charges on each section of the scheme. We look at any defaults available in each section of the scheme as well as the highest and lowest cost self-select available for each section.

12.3.1 Impact of Costs for Crystal 25

	Lifestyle		Responsible Investment Fund		Cash Fund	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£2,070.24	£2,056.72	£2,094.00	£2,068.62	£2,054.00	£2,047.62
3	£6,279.40	£6,196.11	£6,417.80	£6,262.40	£6,174.03	£6,135.70
5	£10,593.72	£10,379.86	£10,929.19	£10,532.72	£10,310.16	£10,214.29
10	£21,952.73	£21,111.91	£23,082.72	£21,552.56	£20,721.29	£20,369.31
15	£34,364.11	£32,389.03	£36,597.73	£33,082.06	£31,234.40	£30,465.41
20	£48,152.43	£44,416.77	£51,626.74	£45,144.79	£41,850.47	£40,502.93
25	£63,688.72	£57,417.18	£68,339.36	£57,765.41	£52,570.52	£50,482.21
30	£81,262.85	£71,511.78	£86,924.18	£70,969.71	£63,395.57	£60,403.59
35	£98,329.54	£84,382.43	£107,590.96	£84,784.71	£74,326.64	£70,267.40
40	£113,897.11	£95,243.63	£130,572.90	£99,238.63	£85,364.76	£80,073.99
45	£127,300.05	£103,668.38	£156,129.36	£114,361.03	£96,511.00	£89,823.67

Notes

1. *Projected pensions pot values are shown in today's terms, with inflation removed from return expectations and as such they do not need to be reduced further for the effect of future inflation. A long-term inflation rate of 2.5% has been assumed.*
2. *The starting pot size is assumed to be £0. Starting age of 20. A period of 45 years has been used to show a Member's journey from joining to retirement. This is intended to be representative of a new auto-enrolment member joining the scheme.*
3. *A salary of £25,000 and 8% annual contributions, which rises with inflation, has been assumed. This is intended to be a round number broadly representative of a UK median salary but actual salaries may vary.*
4. *Fund costs are consistent with the April 2022-April 2023 year Transaction costs are assumed to be consistent with an average of as close to five years as data was available.*
5. *Values shown are estimates and not guaranteed.*
6. *As the lifestyle strategies move through different underlying funds an accumulation rate for each underlying fund has been used. For the TDFs, as the fund changes over time, different accumulation rates for different ages have been used to more accurately reflect the Member's journey. To calculate the rates AS TM1 methodology has been used:*
   a. *The Lifestyle is assumed to have a gross of investment charge accumulation rate of 6.1% for the Growth Fund, 5.2% for the Core Fund and 3.8% for the protection fund.*
   b. *The Responsible Investment Fund is assumed to have a gross of investment charge accumulation rate of 4.7%.*
   c. *The Cash Fund is assumed to have a gross of investment charge accumulation rate of 2.7%.*

12.3.2 Impact of Costs for Crystal 30

	Lifestyle		Crystal Responsible Investment		UK Equity Index Fund	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£2,070.24	£2,054.65	£2,094.00	£2,067.57	£2,122.00	£2,114.25
3	£6,279.40	£6,183.43	£6,417.80	£6,256.05	£6,592.20	£6,543.64
5	£10,593.72	£10,347.46	£10,929.19	£10,516.64	£11,381.93	£11,255.04
10	£21,952.73	£20,986.25	£23,082.72	£21,491.84	£24,908.05	£24,388.02
15	£34,364.11	£32,097.96	£36,597.73	£32,945.61	£40,982.31	£39,712.27
20	£48,152.43	£43,874.24	£51,626.74	£44,898.81	£60,084.74	£57,593.42
25	£63,688.72	£56,520.01	£68,339.36	£57,373.21	£82,785.80	£78,458.09
30	£81,262.85	£70,138.33	£86,924.18	£70,391.55	£109,763.43	£102,804.10
35	£98,329.54	£82,447.69	£107,590.96	£83,977.54	£141,823.26	£131,212.30
40	£113,897.11	£92,696.27	£130,572.90	£98,155.93	£179,922.73	£164,360.49
45	£127,300.05	£100,493.04	£156,129.36	£112,952.55	£225,199.62	£203,039.56

Notes

1. *Projected pensions pot values are shown in today's terms, with inflation removed from return expectations and as such they do not need to be reduced further for the effect of future inflation. A long-term inflation rate of 2.5% has been assumed.*
2. *The starting pot size is assumed to be £0. Starting age of 20. A period of 45 years has been used to show a Member's journey from joining to retirement. This is intended to be representative of a new auto-enrolment member joining the scheme.*
3. *A salary of £25,000 and 8% annual contributions, which rises with inflation, has been assumed. This is intended to be a round number broadly representative of a UK median salary but actual salaries may vary.*
4. *Fund costs are consistent with the April 2022-April 2023 year Transaction costs are assumed to be consistent with an average of as close to five years as data was available.*
5. *Values shown are estimates and not guaranteed.*
6. *As the lifestyle strategies move through different underlying funds an accumulation rate for each underlying fund has been used. For the TDFs, as the fund changes over time, different accumulation rates for different ages have been used to more accurately reflect the Member's journey. To calculate the rates AS TM1 methodology has been used:*
   a. *The Lifestyle is assumed to have a gross of investment charge accumulation rate of 6.1% for the Growth Fund, 5.2% for the Core Fund and 3.8% for the protection fund.*

b. *The Responsible Investment Fund is assumed to have a gross of investment charge accumulation rate of 4.7%.*
c. *The UK Equity Index Fund is assumed to have a gross of investment charge accumulation rate of 6.2%.*

12.3.3 Impact of Costs for Crystal 40

	Lifestyle		Target Date Funds	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£2,070.24	£2,050.51	£2,106.32	£2,091.70
3	£6,279.40	£6,158.11	£6,494.14	£6,403.63
5	£10,593.72	£10,282.94	£11,113.87	£10,880.34
10	£21,952.73	£20,737.29	£23,713.55	£22,789.95
15	£34,364.11	£31,524.54	£37,805.73	£35,645.16
20	£48,152.43	£42,811.50	£53,116.46	£49,105.61
25	£63,688.72	£54,772.91	£70,055.45	£63,474.75
30	£81,262.85	£67,479.84	£87,249.96	£77,435.05
35	£98,329.54	£78,725.81	£106,008.85	£92,181.16
40	£113,897.11	£87,826.53	£126,273.62	£107,602.87
45	£127,300.05	£94,461.36	£148,020.67	£123,621.06

	Responsible Investment Fund		Cash Fund	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£2,094.00	£2,065.48	£2,054.00	£2,044.53
3	£6,417.80	£6,243.35	£6,174.03	£6,117.27
5	£10,929.19	£10,484.55	£10,310.16	£10,168.31
10	£23,082.72	£21,370.97	£20,721.29	£20,201.79
15	£36,597.73	£32,674.66	£31,234.40	£30,102.23
20	£51,626.74	£44,411.62	£41,850.47	£39,871.40
25	£68,339.36	£56,598.47	£52,570.52	£49,511.04
30	£86,924.18	£69,252.43	£63,395.57	£59,022.85
35	£107,590.96	£82,391.41	£74,326.64	£68,408.55
40	£130,572.90	£96,034.02	£85,364.76	£77,669.80
45	£156,129.36	£110,199.54	£96,511.00	£86,808.24

Notes

1. *Projected pensions pot values are shown in today's terms, with inflation removed from return expectations and as such they do not need to be reduced further for the effect of future inflation. A long-term inflation rate of 2.5% has been assumed.*
2. *The starting pot size is assumed to be £0. Starting age of 20. A period of 45 years has been used to show a Member's journey from joining to retirement. This is intended to be representative of a new auto-enrolment member joining the scheme.*
3. *A salary of £25,000 and 8% annual contributions, which rises with inflation, has been assumed. This is intended to be a round number broadly representative of a UK median salary but actual salaries may vary.*

4. *Fund costs are consistent with the April 2022-April 2023 year Transaction costs are assumed to be consistent with an average of as close to five years as data was available.*
5. *Values shown are estimates and not guaranteed.*
6. *As the lifestyle strategies move through different underlying funds an accumulation rate for each underlying fund has been used. For the TDFs, as the fund changes over time, different accumulation rates for different ages have been used to more accurately reflect the Member's journey. To calculate the rates AS TM1 methodology has been used:*
   a. *The Lifestyle is assumed to have a gross of investment charge accumulation rate of 6.1% for the Growth Fund, 5.2% for the Core Fund and 3.8% for the protection fund.*
   b. *The TDFs are assumed to have a gross accumulation rate of 5.02% p.a. far from retirement and 3.80% p.a. at retirement.*
   c. *The Responsible Investment Fund is assumed to have a gross of investment charge accumulation rate of 4.7%.*
   d. *The Cash Fund is assumed to have a gross of investment charge accumulation rate of 2.7%.*

12.3.4 Impact of Costs for Crystal 65

	Lifestyle		Crystal Responsible Investment		Cash fund	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£2,070.24	£2,040.16	£2,094.00	£2,060.24	£2,054.00	£2,039.40
3	£6,279.40	£6,095.13	£6,417.80	£6,211.67	£6,174.03	£6,086.62
5	£10,593.72	£10,123.17	£10,929.19	£10,404.70	£10,310.16	£10,092.09
10	£21,952.73	£20,128.55	£23,082.72	£21,071.99	£20,721.29	£19,925.93
15	£34,364.11	£30,140.38	£36,597.73	£32,008.51	£31,234.40	£29,508.13
20	£48,152.43	£40,280.05	£51,626.74	£43,221.04	£41,850.47	£38,845.14
25	£63,688.72	£50,667.59	£68,339.36	£54,716.56	£52,570.52	£47,943.23
30	£81,262.85	£61,319.35	£86,924.18	£66,502.20	£63,395.57	£56,808.50
35	£98,329.54	£70,222.80	£107,590.96	£78,585.29	£74,326.64	£65,446.93
40	£113,897.11	£76,860.67	£130,572.90	£90,973.33	£85,364.76	£73,864.31
45	£127,300.05	£81,076.16	£156,129.36	£103,674.02	£96,511.00	£82,066.30

Notes

1. *Projected pensions pot values are shown in today's terms, with inflation removed from return expectations and as such they do not need to be reduced further for the effect of future inflation. A long-term inflation rate of 2.5% has been assumed.*
2. *The starting pot size is assumed to be £0. Starting age of 20. A period of 45 years has been used to show a Member's journey from joining to retirement. This is intended to be representative of a new auto-enrolment member joining the scheme.*
3. *A salary of £25,000 and 8% annual contributions, which rises with inflation, has been assumed. This is intended to be a round number broadly representative of a UK median salary but actual salaries may vary.*
4. *Fund costs are consistent with the April 2022-April 2023 year. Transaction costs are assumed to be consistent with an average of as close to five years as data was available.*
5. *Values shown are estimates and not guaranteed.*
6. *As the lifestyle strategies move through different underlying funds an accumulation rate for each underlying fund has been used. For the TDFs, as the fund changes over time, different accumulation rates for different ages have been used to more accurately reflect the Member's journey. To calculate the rates AS TM1 methodology has been used:*
   a. *The Lifestyle is assumed to have a gross of investment charge accumulation rate of 6.1% for the Growth Fund, 5.2% for the Core Fund and 3.8% for the protection fund.*
   b. *The Responsible Investment Fund is assumed to have a gross of investment charge accumulation rate of 4.7%.*
   c. *The Cash Fund is assumed to have a gross of investment charge accumulation rate of 2.7%.*

12.3.5 Impact of Costs for Crystal Optess Partnership

	Lifestyle		Crystal Responsible Investment		Cash fund	
Years	Before charges	After all charges + costs deducted	**Before charges**	**After all charges + costs deducted**	**Before charges**	**After all charges + costs deducted**
1	£2,070.24	£2,049.05	£2,094.00	£2,064.02	£2,054.00	£2,043.07
3	£6,279.40	£6,153.72	£6,417.80	£6,239.03	£6,174.03	£6,112.99
5	£10,593.72	£10,275.60	£10,929.19	£10,477.47	£10,310.16	£10,161.38
10	£21,952.73	£20,722.49	£23,082.72	£21,357.36	£20,721.29	£20,188.83
15	£34,364.11	£31,502.04	£36,597.73	£32,655.01	£31,234.40	£30,084.03
20	£48,152.43	£42,780.95	£51,626.74	£44,386.33	£41,850.47	£39,848.65
25	£63,688.72	£54,733.82	£68,339.36	£56,567.88	£52,570.52	£49,484.36
30	£81,262.85	£67,431.68	£86,924.18	£69,216.85	£63,395.57	£58,992.79
35	£98,329.54	£78,669.60	£107,590.96	£82,351.10	£74,326.64	£68,375.58
40	£113,897.11	£87,763.79	£130,572.90	£95,989.18	£85,364.76	£77,634.34
45	£127,300.05	£94,393.84	£156,129.36	£110,150.35	£96,511.00	£86,770.68

Notes

1. *Projected pensions pot values are shown in today's terms, with inflation removed from return expectations and as such they do not need to be reduced further for the effect of future inflation. A long-term inflation rate of 2.5% has been assumed.*
2. *The starting pot size is assumed to be £0. Starting age of 20. A period of 45 years has been used to show a Member's journey from joining to retirement. This is intended to be representative of a new auto-enrolment member joining the scheme.*
3. *A salary of £25,000 and 8% annual contributions, which rises with inflation, has been assumed. This is intended to be a round number broadly representative of a UK median salary but actual salaries may vary.*
4. *Fund costs are consistent with the April 2022-April 2023 year Transaction costs are assumed to be consistent with an average of as close to five years as data was available.*
5. *Values shown are estimates and not guaranteed.*
6. *As the lifestyle strategies move through different underlying funds an accumulation rate for each underlying fund has been used. For the TDFs, as the fund changes over time, different accumulation rates for different ages have been used to more accurately reflect the Member's journey. To calculate the rates AS TM1 methodology has been used:*
   a. *The Lifestyle is assumed to have a gross of investment charge accumulation rate of 6.1% for the Growth Fund, 5.2% for the Core Fund and 3.8% for the protection fund.*
   b. *The Responsible Investment Fund is assumed to have a gross of investment charge accumulation rate of 4.7%.*
   c. *The Cash Fund is assumed to have a gross of investment charge accumulation rate of 2.7%.*

12.3.6 Impact of Costs for Bluesky Section

	Target Date Funds		Lifestyle	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£2,107.32	£2,091.64	£2,070.24	£2,048.44
3	£6,500.37	£6,403.25	£6,279.40	£6,145.48
5	£11,130.00	£10,879.39	£10,593.72	£10,250.81
10	£23,778.10	£22,786.29	£21,952.73	£20,613.99
15	£37,958.62	£35,636.82	£34,364.11	£31,242.12
20	£53,404.10	£49,090.68	£48,152.43	£42,291.08
25	£70,533.59	£63,450.91	£63,688.72	£53,922.41
30	£87,972.20	£77,401.00	£81,262.85	£66,193.49
35	£107,043.13	£92,134.55	£98,329.54	£76,936.05
40	£127,695.82	£107,541.33	£113,897.11	£85,499.57
45	£149,915.37	£123,542.14	£127,300.05	£91,597.63

	Bluesky Global Equity Active		Bluesky Cash Fund	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£2,122.00	£2,094.02	£2,054.00	£2,043.51
3	£6,592.20	£6,417.94	£6,174.03	£6,111.13
5	£11,381.93	£10,929.57	£10,310.16	£10,153.02
10	£24,908.05	£23,084.18	£20,721.29	£20,146.29
15	£40,982.31	£36,601.16	£31,234.40	£29,982.30
20	£60,084.74	£51,633.19	£41,850.47	£39,663.55
25	£82,785.80	£68,350.11	£52,570.52	£49,192.45
30	£109,763.43	£86,940.75	£63,395.57	£58,571.42
35	£141,823.26	£107,615.14	£74,326.64	£67,802.80
40	£179,922.73	£130,606.84	£85,364.76	£76,888.93
45	£225,199.62	£156,175.58	£96,511.00	£85,832.09

Notes

1. *Projected pensions pot values are shown in today's terms, with inflation removed from return expectations and as such they do not need to be reduced further for the effect of future inflation. A long-term inflation rate of 2.5% has been assumed.*
2. *The starting pot size is assumed to be £0. Starting age of 20. A period of 45 years has been used to show a Member's journey from joining to retirement. This is intended to be representative of a new auto-enrolment member joining the scheme.*
3. *A salary of £25,000 and 8% annual contributions, which rises with inflation, has been assumed. This is intended to be a round number broadly representative of a UK median salary but actual salaries may vary.*
4. *Fund costs are consistent with the April 2022-April 2023 year Transaction costs are assumed to be consistent with an average of as close to five years as data was available.*
5. *Values shown are estimates and not guaranteed.*

6. *As the lifestyle strategies move through different underlying funds an accumulation rate for each underlying fund has been used. For the TDFs, as the fund changes over time, different accumulation rates for different ages have been used to more accurately reflect the Member's journey. To calculate the rates AS TM1 methodology has been used:*
   a. *The Lifestyle is assumed to have a gross of investment charge accumulation rate of 6.1% for the Growth Fund, 5.2% for the Core Fund and 3.8% for the protection fund.*
   b. *The TDFs are assumed to have a gross accumulation rate of 5.02% p.a. far from retirement and 3.80% p.a. at retirement.*
   c. *The Responsible Investment Fund is assumed to have a gross of investment charge accumulation rate of 4.7%.*
   d. *The Cash Fund is assumed to have a gross of investment charge accumulation rate of 2.7%.*

12.3.7 Impact of Costs for Drawdown

	Opal		Aqua & Ruby	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£107,744.40	£106,615.24	£99,592.40	£97,936.17
3	£116,088.56	£113,668.10	£99,153.23	£95,750.39
5	£125,078.92	£121,187.51	£98,680.06	£93,435.25
10	£150,720.00	£142,234.88	£97,330.53	£87,031.66
15	£107,744.40	£106,615.24	£99,592.40	£97,936.17
20	£116,088.56	£113,668.10	£99,153.23	£95,750.39
25	£125,078.92	£121,187.51	£98,680.06	£93,435.25
30	£150,720.00	£142,234.88	£97,330.53	£87,031.66
35	£107,744.40	£106,615.24	£99,592.40	£97,936.17
40	£116,088.56	£113,668.10	£99,153.23	£95,750.39
45	£125,078.92	£121,187.51	£98,680.06	£93,435.25

	Jade Retirement Bridge		Onyx Evergreen	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£99,592.40	£97,926.16	£104,687.40	£102,950.16
3	£99,153.23	£95,720.51	£109,737.81	£106,077.16
5	£98,680.06	£93,383.29	£115,179.35	£109,391.61
10	£97,330.53	£86,909.22	£130,698.95	£118,573.21
15	£99,592.40	£97,926.16	£104,687.40	£102,950.16
20	£99,153.23	£95,720.51	£109,737.81	£106,077.16
25	£98,680.06	£93,383.29	£115,179.35	£109,391.61
30	£97,330.53	£86,909.22	£130,698.95	£118,573.21
35	£99,592.40	£97,926.16	£104,687.40	£102,950.16
40	£99,153.23	£95,720.51	£109,737.81	£106,077.16
45	£98,680.06	£93,383.29	£115,179.35	£109,391.61

Notes

Projected pensions pot values are shown in today's terms, with inflation removed from return expectations and as such they do not need to be reduced further for the effect of future inflation.

1. *A period of 20 years has been covered as Members cannot access these options till age 55 and are expected to consider purchasing an annuity at 75.*
2. *An inflation rate of 2.5% has been assumed.*
3. *The starting pot size is assumed to be £100,000. This was chosen to provide a round number representation of a drawdown pot.*
4. *No further contributions have been assumed, and a drawdown rate not rising with inflation has been assumed of 4% of the initial pot for the retirement bridge and retirement strategies, 3% for Onyx Evergreen and 0% for Opal.*
5. *Fund costs are consistent with the April 2022-April 2023 Year. Transaction costs are assumed to be consistent with an average of as close to five years as data was available.*
6. *Values shown are estimates and not guaranteed.*
7. *The assumed gross of investment fee accumulation rates for all funds has been assumed to be 3.8%.*

12.4 Member-borne Commission

There is a compliance requirement under the Occupational Pension Schemes (Charges and Governance) Regulation 2015 brought into force that requires Trustees to seek confirmation that no member-borne commission arrangements are in place for their Master Trust. This regulation is designed to outlaw member-borne commission arrangements which were entered into before 6 April 2016. Commission arrangements entered into after that date were banned in 2016.

The Trustee can confirm that it is compliant with the prohibition in regulation 11A(2) of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 in relation to all contracts entered into before 6 April 2016.

12.5 Impact of the war in Ukraine

Evolve and the Crystal Trustee, together with their Investment Consultant and Investment Analyst respectively, are closely monitoring the impact of the Ukraine crisis on Crystal's investments.

Crystal's overall exposure to Russian investments was written down to zero in May 2022 from approximately 0.0014%, and the current performance of Crystal's strategies is in no way driven by any exposure to Russia.

The Trustee notes that whilst the impact on portfolios has been relatively small, it continues to monitor the long-term effect, in particular the following scenarios:

- Sanctions will make it difficult to disinvest any remaining Russian investments as there will be few legally permitted buyers.
- Oil prices and therefore energy prices are likely to continue to rise. This will have a further impact on several industries such as consumer goods and logistics. This is likely to constrict world economies, with a strong increase in inflationary pressure.
- Government spending, particularly across Europe, is likely to increase in both infrastructure projects to help reduce dependency on Russian energy and in defence and defence support sectors. The overall effect is likely to be expansionary on world economies.

The Trustee continues to review the situation and engage with its asset managers AB and LGIM to reduce holdings when market conditions allow.

The Trustee is also regularly engaging with both AB and LGIM to assess and limit not just direct exposure to Russian investments but also the exposure of any underlying companies' involvement with Russia.

At the Trustee meeting on 24 May 2022 the Trustee reviewed their investment Beliefs. Minor changes were made to correct grammar and also clarify the targets set.

As Crystal's exposure was very low and written down to zero, there are no immediate concerns on liquidity or lack of ability for Members to trade or access their pension savings. The Trustee note there are overall market concerns and has been working closely with their asset managers to ensure appropriate oversight is in place.

12.6 Value for Members assessment

12.6.1 Annualised Returns for Accumulation Funds

The following sets of tables show the net returns for investments in the accumulation range for each section. Crystal must report on the net investment returns for their default arrangements and for each self-select fund which Crystal Members are invested during the year and in calculating these returns we have followed statutory guidance. This should help Members identify how their investments have performed. For strategies where less than 5 years of returns are provided this is because the strategy has not been available for at least 5 years. Although the scheme inception date was February 2015, none of the existing strategies were available at inception as Crystal was a drawdown vehicle until it opened up to accumulation in 2017.

Crystal 25

Arrangements with Age Related Returns	All values up to end of Q1 2023	
	5 years	1 year
Lifestyle Strategy Age 25	9.2%	-2.6%
Lifestyle Strategy Age 45	9.2%	-2.6%
Lifestyle Strategy Age 55	5.0%	-6.3%
TDFs Age 25	6.3%	-5.5%
TDFs Age 45	4.4%	-7.5%
TDFs Age 55	2.2%	-5.7%
Active TDFs Age 25	#N/A	-5.9%
Active TDFs Age 45	#N/A	-9.6%
Active TDFs Age 55	#N/A	-7.9%

Arrangements with No Age Related Returns	All values up to end of Q1 2023	
	5 years	1 year
Growth Fund	9.2%	-2.6%
Core Fund	5.7%	-6.3%
Protection Fund	1.2%	-6.1%
Active Dynamic Diversified Growth Fund	#N/A	-5.9%
Shariah Fund	14.4%	-3.1%
Cash Fund	#N/A	1.9%
Responsible Investment Fund	#N/A	#N/A

Crystal 30

Arrangements with Age Related Returns	All values up to end of Q1 2023
	1 year
Lifestyle Age 25	-2.6%
Lifestyle Age 45	-2.6%
Lifestyle Age 55	-6.4%
Legacy SuperTrust Lifestyle (Annuity) Age 25	-1.2%
Legacy SuperTrust Lifestyle (Annuity) Age 45	-1.2%
Legacy SuperTrust Lifestyle (Annuity) Age 55	-5.4%
Legacy SuperTrust Lifestyle (Drawdown) Age 25	-1.2%
Legacy SuperTrust Lifestyle (Drawdown) Age 45	-1.2%
Legacy SuperTrust Lifestyle (Drawdown) Age 55	-5.4%

Arrangements with No Age Related Returns	All values up to end of Q1 2023
	1 year
Diversified Fund	-5.4%
Global Equity Index Fund	-1.2%
Pre-Retirement Fund	-19.7%
Retirement Income Multi-Asset Fund	-3.4%
LGIM Cash	1.9%
UK Equity Index Fund	2.0%
Over 15 year Gilt Index Fund	-30.1%
Corporate Bond Index Fund	-10.3%
All Stocks Gilts Index Fund	-16.6%
Asia (Ex Japan) Developed Equity	-4.5%
Dynamic Diversified Fund	-3.2%
Global Equity Fixed Weight (50:50) Fund	0.3%
Global Real Estate Fund	-15.9%
Hybrid Property (70:30) Fund	-14.6%
Over 5 Year Index-Linked Gilts Fund	-30.8%
Pre-Retirement Inflation Linked Fund	-26.2%
World (Ex UK) Equity Index Fund	-1.4%
World Emerging Market Fund	-5.2%
Growth Fund	-2.6%
Core Fund	-6.3%
Protection Fund	-6.2%

Crystal 40

Arrangements with Age Related Returns	All values up to end of Q1 2023	
	5 years	1 year
Lifestyle Strategy Age 25	9.0%	-2.7%
Lifestyle Strategy Age 45	9.0%	-2.7%
Lifestyle Strategy Age 55	4.8%	-6.5%
TDFs Age 25	6.2%	-5.7%
TDFs Age 45	4.3%	-7.7%
TDFs Age 55	2.0%	-5.8%
Active TDFs Age 25	#N/A	-6.0%
Active TDFs Age 45	#N/A	-9.7%
Active TDFs Age 55	#N/A	-8.0%

Arrangements with No Age Related Returns	All values up to end of Q1 2023	
	5 years	1 year
Growth Fund	9.0%	-2.7%
Core Fund	5.6%	-6.4%
Protection Fund	1.1%	-6.3%
Active Dynamic Diversified Growth Fund	#N/A	-6.1%
Shariah Fund	14.2%	-3.2%
Cash Fund	#N/A	1.8%
Responsible Investment Fund	#N/A	#N/A

Crystal Optess Partnership – Lifestyle Strategy

To calculate the impact of the contribution charge an average pot size of £5,300 has been used, bringing the annual fee to c.0.74%.

Arrangements with Age Related Returns	All values up to end of Q1 2023	
	5 years	1 year
Lifestyle Strategy Age 25	8.7%	-3.0%
Lifestyle Strategy Age 45	8.7%	-3.0%
Lifestyle Strategy Age 55	4.5%	-6.8%
TDFs Age 25	5.8%	-6.0%
TDFs Age 45	3.9%	-8.0%
TDFs Age 55	1.7%	-6.2%
Active TDFs Age 25	#N/A	-6.4%
Active TDFs Age 45	#N/A	-10.1%
Active TDFs Age 55	#N/A	-8.4%

Arrangements with No Age Related Returns	All values up to end of Q1 2023	
	5 years	1 year
Growth Fund	8.7%	-3.0%
Core Fund	5.2%	-6.8%
Protection Fund	0.8%	-6.6%
Active Dynamic Diversified Growth Fund	#N/A	-6.4%
Shariah Fund	13.9%	-3.6%
Cash Fund	#N/A	1.4%
Responsible Investment Fund	#N/A	#N/A

Bluesky section

Arrangements with Age Related Returns	All values up to end of Q1 2023	
	5 years	1 year
Lifestyle Strategy Age 25	8.9%	-2.8%
Lifestyle Strategy Age 45	8.9%	-2.8%
Lifestyle Strategy Age 55	4.7%	-6.7%
TDFs Age 25	6.1%	-5.7%
TDFs Age 45	4.2%	-7.9%
TDFs Age 55	2.2%	-5.9%

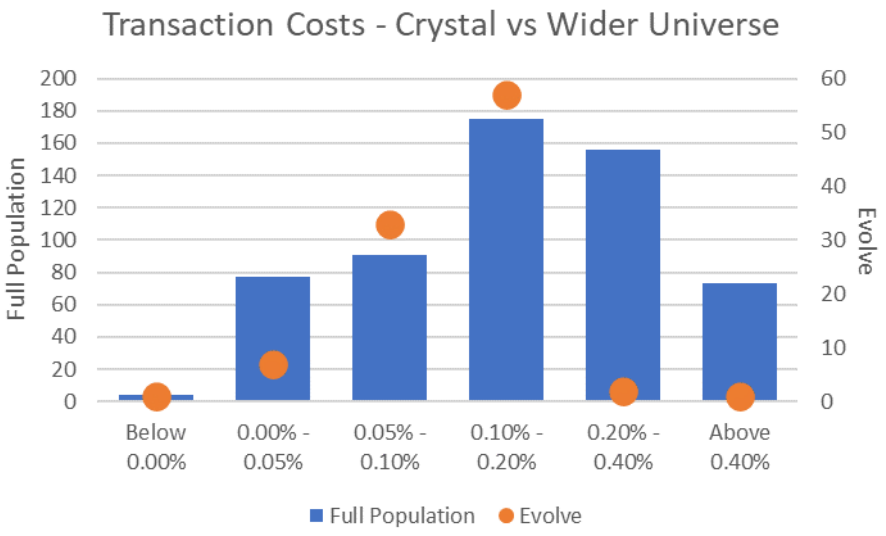
Arrangements with No Age Related Returns	All values up to end of Q1 2023	
	5 years	1 year
BlueSky Growth	8.9%	-2.8%
BlueSky Core	5.4%	-6.6%
BlueSky Strategy Protection	1.0%	-6.4%
BlueSky Cash	0.1%	1.6%
BlueSky Emerging Markets	0.0%	-0.5%
BlueSky Ethical	11.1%	0.0%
BlueSky Global Equity Active	9.9%	3.8%
BlueSky Global Equity Passive	10.4%	-1.3%
BlueSky Property	3.7%	-16.0%
BlueSky Shariah	14.3%	-3.3%
BlueSky UK Equity Active	-1.9%	-1.2%
BlueSky UK Small Cap	0.5%	-19.4%
Responsible Investment Fund	N/A	N/A

12.6.2 The Value for Members Assessment

A factor that plays a part in overall Value for Members is the requirement of Trustee Boards to calculate at least annually the charges, net returns and, as far as they are able to, transaction costs (incurred as a result of buying, selling, lending or borrowing investments), to which Members' funds are subject; and to assess the extent to which they represent good value for Members. Value for Members does not necessarily equate to 'low cost', notwithstanding that the law puts in place certain charge limits on Master Trusts.

After the period year end the Trustee approached their investment managers to collect the latest transaction cost figures which were provided up to the end of Q1 2023. We have averaged transaction costs over the most recent 5 years, or over the number of whole years of data available if this is less than 5. The results of this are displayed in section 12.1. The Trustee has considered these transaction costs and believe them to be competitive and reasonable for the nature of the funds. The Trustee, where possible, has looked at transaction costs reported by other relevant funds to confirm their costs are comparable, and are satisfied.

The chart below puts this period's Scheme transaction costs into context of other relevant funds. Transaction costs have been split into six brackets, with the orange spot counting how many Crystal funds fall into that bracket (measured on the right axis) and the blue bars counting how many funds from the wider universe are in that bracket. While the sample size is not comprehensive it provides a good indication of overall positioning.



We are pleased to see that the transaction costs are generally towards the lower end of the universe considered. We believe this provides evidence that costs are reasonable and that there is no obvious cause for concern.

As covered in section 12.6.3, the Trustee receives a quarterly Master Trust Universe Comparison report

provided to the Trustee by their Investment Consultant. This looks at a variety of metrics for Master Trust defaults, allowing the Trustee to better assess the relative merits of their own proposition. One metric of note is the "value added" metric that looks at a money weighted return over the last 5 years to give a pound amount to how much better off a typical Member would be invested in each default over a period of 5 years. The Trustee was pleased to see that the Crystal Lifestyle Strategy was consistently one of the top performers in this metric, with the TDFs also offering a competitive position in line with the wider market. Having reviewed the reports, the Trustee is satisfied that Crystal has a competitive offering, with an appropriate level of risk and return throughout a Member's lifetime all provided at a fair cost. They are further convinced that both their defaults have ESG integrated within them to an appropriate level, which helps to manage ESG risks and pursue ESG opportunities. The Trustee continues to consider ways to enhance the default offerings.

Members should also have the opportunity to give their views and opinions directly to the Trustee in order that the ongoing suitability and relevance of the benefits on offer can be assessed effectively.

The Trustee believes that Value for Members and cost effectiveness should be a key factor in all decision making. During the history of Crystal, the Trustee has ensured that the appointment of providers, reporting on investment fund performance and the ongoing operation of Crystal considers costs and charges versus benefit to Members.

The Trustee has taken note of The Occupational Pension Schemes (Charges and Governance) Regulations 2015 and the most recent guidance regarding Value for Member Assessments and understands the need to assess the Value for Members offered by Crystal. The Trustee allocates time at Trustee meetings to discuss what constitutes Value for Members and how it can be communicated effectively. Its discussions and approval of recommendations are documented in the Trustee meeting minutes.

The Trustee considers the key factors influencing the delivery of good value to be:

Scheme administration:

- Achievement of Service Level standards
- Prompt and accurate administration of core financial transactions
- Data quality
- Complaints and errors

Governance:

- Roles and responsibility of Trustee Board
- Trustee knowledge and understanding
- Understanding of membership
- Governance processes
- Risk management and internal controls

Communications:

- Scope and quality of communications
- Defined communication strategy
- Ensuring communications are clear
- Feedback from Members

Investment features:

- Consider appropriateness and objectives of default investment strategy
- Consideration of fund performance
- Range of funds offered
- Climate change

Other factors

- Scheme funder
- Scheme design
- Retirement solutions and pre-retirement support

After rigorous assessment of the factors which influence the Value for Members and the benefits offered by Crystal, the Trustee has concluded that Crystal represents good Value for Members. This conclusion was made

as the costs and charges are below the charge cap, Members are provided with sophisticated investment options and overall, there is a robust governance framework within Crystal.

As described in section 12.6 above, when reviewing information on charges and transaction costs relating to Crystal, the Trustee also assesses the extent to which such charges and costs represent "good value" for Members however, whether something represents "good value" is not capable of being precisely defined. The service providers appointed by the Trustee to help it to assess value for Members are described in section 4.

Lifestyle Strategy
The following total charges are applied to each Section of Crystal that uses the Lifestyle Strategy:

- 0.75% per annum in respect of the Crystal 65 section default;
- 0.55% per annum in respect of the Bluesky section default for specific members;
- 0.50% per annum in respect of the Crystal 40 section default;
- 0.50% plus a maximum fixed £18.00 per annum in respect of the Crystal Optess default and Crystal 40 plus CC section (now closed);
- 0.40% per annum in respect of the Crystal 30 section default following the move to the Lifestyle Strategy; and
- 0.35% per annum for the Crystal 25 section following the move to Lifestyle Strategy as the default investment.

All charges are within the regulatory charge cap of 0.75% per annum. The Trustee considered the potential outcome for Members and the risk reduction aspects and are satisfied that the charges represent good value to Members.

Other Section Defaults (TDFs or Lifestyle (Cash))

- The total charge of 0.68% per annum for the Bluesky section which uses TDFs sits well within the regulatory charge cap of 0.75% per annum.
- The total charge of 0.38% for the Lifestyle (Cash) default for the Crystal 30 section was well within the regulatory charge cap prior to closure.

12.6.3 Master Trust Universe Comparison Analysis

In order to assess whether the charges and transaction costs under Crystal represent "good value", the Trustee obtains a Master Trust Universe Comparison Analysis report from the Investment Consultant on a quarterly basis, outlining the performance and benchmarking data of other Master Trusts of a broadly equivalent size and structure.

The Master Trust Universe Comparison Analysis Report for Quarter 4 2022 was presented in the Investment Committee meeting on 21 February 2023 and confirmed that Crystal compared well against other authorised Master Trusts, particularly noting that typical contributing Members in the Lifestyle Strategy when considering a money-weighted return, would have generally seen a larger increase in the value of their pots over the last 5 years than they would have had than almost any other competitor Master Trusts considered. They also noted that the TDFs had performed comparably to many other Master Trust defaults and noted that there were signs of relative improvement over recent quarters as the diversifying elements paid off.

Taking into account the above analysis, the Trustee has considered the cost of Crystal's default strategies alongside the potential outcome for Members and the risk reduction aspects and is satisfied that the charges represent good Value to Members.

In summary, the Trustee believe that Crystal offers good value to its Members because:

- The total charges for all default strategies are within the regulatory charge cap of 0.75%, with many much less;
- The Lifestyle Strategy has ESG integration and is well diversified at a relatively low cost, and
- The TDFs and Active TDFs allow Members to choose a more sophisticated product with more risk controls and more dynamic asset allocation if they wish. ESG is well integrated into both products, with the TDFs now including a sustainable sleeve.

The Trustee, with assistance from its advisers, has considered the services and features of Crystal that impact value. Based on this assessment of Crystal the Trustee believes that overall, the value provided to Members by Crystal in the various areas of governance and management, administration, investment and communication

services offers good value compared with the overall level of charges met by Members. As such, the Trustee are confident that Crystal provides high quality and appropriate services to meet the needs of Members.

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Scheme (Scheme Administration) Regulations 1996 ("the Regulations").

Signed:

Samantha Pitt

Date: 31 October 2023

Appendix (i)

Legal & General Investment Management – ESG Statement for The Crystal Trust

LGIM strive to effect positive change in the companies and assets in which we invest, and for society as a whole. Our approach to responsible investing is informed by our parent company, Legal & General Group's vision of inclusive capitalism which seeks to share the benefits of economic growth among as many people as possible. In doing so, we support L&G's long-term plans, from tackling the climate emergency to funding the regeneration of cities. This is all part of what we see as LGIM's purpose – to create a better future through responsible investing.

Over many years LGIM has been progressively integrating ESG across all asset classes and investment styles informing everything that we do; from the core investment beliefs we uphold to the decisive action we take to address era-defining challenges, such as climate change. LGIM considers ESG to be vital for all roles across the business – from investment commentary writers, energy transition and ESG client-facing teams, to ESG investment strategists and portfolio managers.

- As one of Europe's largest asset managers and a major global investor, with total assets under management of £1.2 trillion (as at end December 2022), at LGIM we use our scale and influence to ensure that ESG risks and opportunities impacting the value of our clients' investments are recognised and appropriately managed.
- As a leader in ESG, LGIM manages £332.2 billion in responsible investment strategies (as at end December 2022, Active Ownership 2022). We offer a wide range of ESG outcome orientated solutions that harness LGIM's industry leading Stewardship and Index and active capabilities – many of which incorporate objectives aligned to the Paris agreement and Net Zero ambitions.
- We offer a wide range of ESG outcome orientated solutions that harness LGIM's industry leading Stewardship and Index and active capabilities – many of which incorporate objectives aligned to the Paris agreement and Net Zero ambitions.
- LGIM has been a longstanding signatory to the PRI (Principles for Responsible Investment) since September 2010 and we endorse the six PRI principles to incorporate and report on ESG activities. The most recent UN PRI's Assessment Report for LGIM scored us 4* and 5* in all categories, with the Investment & Stewardship Policy section scoring 94/100.
- Recognising that climate change represents a material systemic risk for long-term investors LGIM was a founding signatory of the Net Zero Asset Managers Initiative. We have committed to work in partnership with our clients to reach net-zero greenhouse gas emissions by 2050 or sooner across all assets under management. In line with this commitment, in November 2021 LGIM set a target for 70% of eligible AUM[1] to be managed in line with this net-zero ambition by 2030. In addition, drawing on industry best practice, we have set out LGIM's key requirements for any investment portfolio to be considered net-zero aligned. **LGIM's approach to net zero.**

At LGIM, we take our role in addressing climate change very seriously. We have a duty of looking to mitigate long-term risks and seize emerging opportunities and are a company that is acting today in our clients' long-term interests. LGIM has set out a bold agenda to lead our industry in pushing for emphatic action through initiatives such as:

- Broadening the group of companies at risk of divestment under our **Climate Impact Pledge** (launched in 2016), if they do not take the required action to hasten the transition to a low-carbon world
- Developed a platform to identify the climate risks embedded within our clients' portfolios by assessing **scenario-based, forward-looking valuations** of companies across the capital structure

We believe that well-governed companies that manage all stakeholders, including the environment, are more likely to deliver sustainable long-term returns. We view the consideration of ESG issues as part of risk management, and therefore part of our fiduciary duty. As one of the world's largest asset managers with a long history of corporate engagement on the most material long-term issues, we aim to use our scale and ability to make a real, positive impact on the companies and markets in which we invest and on society as a whole. Please refer to our Climate Change Policy and Climate Impact Pledge to understand how we manage climate-related risk.

[1] For this first interim target, LGIM has excluded government securities and derivative assets due to the lack of clear industry methodologies to account for these asset classes. As a result, the 70% target that LGIM has set to be managed in line with net zero covers eligible asset classes only. We will be reviewing our target every two years, taking into account developments across our client base and the markets in which we operate.

Appendix (ii)

AllianceBernstein – ESG Statement for The Crystal Trust

AllianceBernstein (AB) has long recognised that environmental, social and governance (ESG) issues can impact the performance of portfolios, and we are committed to addressing these issues thoughtfully and responsibly. For more information on our firmwide policies, including statistics on our engagements and commitment, please see the dedicated page on our website: https://www.alliancebernstein.com/corporate-responsibility/responsible-investing.htm

In managing the target date fund (TDF) arrangements for the Crystal Trust, AB must consider and address ESG issues. Our belief is that further steps can be taken to enhance the management of ESG risks, and the firm is committed to being at the forefront of addressing these issues. Consistent with Trustee requirements, and as clarified by the Law Commission, this must be balanced with consideration to investment outcomes and the cost to members of the Scheme.

Providing clients with useful, digestible reporting that best supports their needs is an important part of our proposition. With ESG forming an increasingly important consideration for regulators and our clients, as well as forming an integral part of our portfolio decision-making, we have developed this statement. It provides an outline of some key ESG issues and how they are considered in the TDF strategy that we operate on behalf of the Scheme.

Integrating ESG Considerations into Investment Processes

Our primary approach to managing ESG factors is through "integration" - this is the integration of ESG factor considerations into all its research and investment processes. It is our belief that integration is important for identifying financially material investment risks as well as opportunities. This long-held belief led to AB becoming a signatory to the UN Principles for Responsible Investment (PRI) on 1 November 2011.

Active Ownership of Assets

AB UK target date funds (TDFs) primarily make use of third parties to implement asset allocation, which creates limitations for active ownership. We believe that an effective way to act on identified ESG issues is through a two-pronged approach to active asset ownership. This approach, outlined below, is utilised where AB does directly hold individual investments.

1) Directly engage with equity and bond issuers as part of the research process to address ESG factors and seek to instil better practices in target companies; and

2) Make use of the voting rights attached to investments. These votes are made in line with a robust proxy voting policy, which incorporates ESG factors and reflects the best long-term economic interests of clients.

Evidence of AB's commitment to active ownership can be seen in our stewardship record. In 2022, AB:

- Held more than 7,600 issuer meetings. Of these, 1,932 meetings (with 1,426 distinct companies) had a clear focus on ESG and were logged in our proprietary ESG research and engagement documentation tool, ESIGHT. In these ESG-focused engagements, 1,186 covered one or more environmental issues, 1,130 covered one or more social issues, and 1,027 covered one or more governance issues.

- Voted on 98,153 proposals across 9,418 companies across the globe. Around 11% of these votes were against management recommendations and the single largest type of proposals voted against were those related to management compensation.

Considering ESG when Allocating to Third-Party Investment Managers

- The TDFs primarily utilise a selection of underlying third-party investment managers' funds to gain access to a broad range of investments. As these underlying funds are predominantly passive/systematic approaches, the incorporation of active ESG consideration when making any single investment. Furthermore, as these underlying funds are not managed by AB, the ability to incorporate our own ESG policies is somewhat limited.

- To address this, we are increasingly making use of custom fund arrangements that provide the flexibility to impose our own ESG policies. However, in cases where this is not possible, we review shortlisted managers' UNPRI signatory status, ESG and ownership/stewardship policies, and proxy voting history to ensure that any appointed manager is as closely aligned to the polices of AB as possible.

- To monitor appointed managers, we perform regular ongoing due diligence requesting information and materials on a number of policies – including those on ESG and responsible investment. This process reviews policies and monitors changes to ensure that the appointment remains in the best interests of our clients. Over 2022, we had regular meetings with each of our most significant third-party managers to review their responsible investment practices, covering integration, stewardship, product and corporate policy. Those meetings would continue to be led by Jodie Tapscott, our Director of Responsible Strategy, who has been added to the portfolio management team in recognition of her work enhancing research and oversight of responsible investment policies in our TDFs.

- As evidence of this process, our ongoing review has resulted in changes in underlying managers in multiple instances. Most recently, in 2021, we made a change in favour of an investment manager where we believed that the new manager had a greater track record, commitment and capabilities in making more effective use of ownership rights and engagement with equity and bond issuers. We are also in the process of reviewing most cost-effective and customizable sleeves across different TDF ranges.

Excluding Investment in Controversial Business Activities (e.g. Controversial Weapons)

- Where investments are managed by third party investment managers utilising common/traditional passive management approaches, there may not be any explicit business activity exclusions applied. We recognises this and seek fund investments that do make use of explicit screens to high-risk activities or, where such investments do not exist and there is sufficient scale, oversee custom fund arrangements where we can instruct the screens to be applied.

- With that in mind, several of the underlying strategy allocations exclude investments associated with controversial business activities. We have taken a hard-line view to remove all exposure to corporates involved in the business of controversial weapons, civilian firearms, tobacco and thermal coal. Beyond this, in satellite allocations, we implement wider screens (e.g. alcohol, gambling, adult entertainment, and nuclear power) with a view to reduce/tilt exposures away from these higher ESG risk activities.

- We approach this on a best-efforts basis because differences in the ESG screening methodologies across global index providers and products mean that a minimal exposure to excluded activities may still be present. For example, MSCI uses different tolerances in their methodologies that group activities by severity and their role in the activity (e.g. producers, retailer/distributor). One measure that MSCI uses to assess company involvement in a controversial activity, and hence if their inclusion is appropriate, is by the percentage revenue derived from the activities. Where revenue thresholds are applied (rather than an absolute, zero-tolerance exclusion) companies with smaller involvements may still be present. Please also note that where index providers use revenue estimation approaches to determine business activity exposures, differences in methodology or errors behind estimates may result in some controversial exposures. Additionally, outside of estimates, companies are becoming better at disclosing revenue and activity information which can create new portfolio exposures. We are closely monitoring these effects. Exclusions are not applied by moral judgement. The objective – after the consideration of their risk and return implications – is to reduce or eliminate exposures to these activities in recognition of the high levels of ESG risk that they possess.

ESG Considerations specific to the Sustainable Retirement Strategies

- This range places a significant focus on ESG issues with active tilts towards investment that are expected to provide both investment returns and contribution to social and environmental outcomes. It also removes investment activities that it believes to be misaligned with these objectives. The strategy employs AB active sustainable allocations being guided by the United Nations Sustainable Development Goals (SDGs). Our team integrates environmental, social and governance (ESG) factors into strategies with the aim of helping investors achieve these twin goals.

- Our strategies are aligned with the 17 SDGs and their corresponding 169 targets from which we derive three core investable themes: Climate, Health and Empowerment. We identify sub-themes within each of these categories to further clarify the investment opportunities represented by the SDGs. This proprietary thematic process was first pioneered by AB for equity investments in 2013. It was then extended to fixed income and multi-asset investments. This thematic approach utilises our experience in security selection across asset classes and provide rigorous research of financial and ESG factors across holdings to identify the most compelling investment opportunities. We access sustainable investment opportunities across a broad range of assets and efficiently integrate them to provide diversification, minimise factor biases and unrewarded risks. Additionally, we employ dynamic management to mitigate downside risks.

Ongoing Research

Below is a summary of the items on our research agenda for 2023.

Optimising Risks Levels	Risk Profiles / AB CyRIL	Review risk profiles with CyRIL analysis to calibrate glidepaths and ensure ongoing suitability.
	Benchmark Suitability	Review benchmarks and targets to ensure that they continue to remain appropriate/suitable
Enhancing Diversification and Risk Management	Equity-Bond Correlations	As prolonged period of negative equity-bond correlation comes to an end, consider implications for asset class exposures
	Currency Hedging	Revisit currency hedging strategy in light of fundamental changes in the relationship between sterling and other global currencies
	Emerging and Frontier Markets	Consider appropriate split between China and EM-ex China equity. Review inclusion of Frontier Markets.
	Defensive Equities	Implement low volatility / quality earnings equity strategies to further diversify risk management for members near retirement
	Sustainable Opportunities	Build universe of investment further and seek to make progress towards growing allocation
	Credit Opportunities	Reassess opportunity for high yield credit, and build capability for inclusion of private credit
	Real Assets	Review allocations for more efficient implementation options. Research ESG approaches to commodities and REITs investment
	Global Duration	Consider potential benefits of globalising duration exposure for greater downside risk management
	Private Equity	After challenging year for private equity, consider future efficacy in new macro environment
	Efficient Implementation	Review selected allocations and dynamic asset allocation process for more efficient implementation options
Improving Client Transparency	TCFD Support	Standardise metrics offered and roll-out climate scenario analysis to better support clients
	ESG Reporting	Consider development of standalone ESG reporting that could be leveraged as a member (and/or employer) engagement tool
	Stewardship	Evaluate enhancement of stewardship reporting and investigate potential to take control of voting where possible
Innovative Product and Policy Development	Whole-of-Life TDFs	Finalise research and implement combined accumulation/decumulation glidepath. Develop member modeler
	Net Zero Roadmap	Update net zero road map with new ideas, methodologies and progress

INVESTMENT RISKS TO CONSIDER

The value of an investment can go down as well as up and investors may not get back the full amount they invested. Past performance does not guarantee future results.

Some of the principal risks of investing in Target Date Funds include country risk, emerging markets risk, currency risk, illiquid assets risk, portfolio turnover risk, management risk, industry / sector risk, derivatives risk, borrowing risk, taxation risk, and equity securities risk.

Target Date Retirement Funds (TDFs) are designed for a typical pension fund saver intending to retire in or around the years stated in the name of the Fund. As the Funds are intended to be default pension saving vehicles which seek to meet the requirements of a broad range of persons, they do not take into account an individual's personal circumstances and may not be suitable for a particular individual or group of individuals with complex financial or personal circumstances.

Important Information

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Appendix (iii)

Mobius Life – ESG Statement for The Crystal Trust

At Mobius Life, we are dedicated to empowering investment opportunities through a fund range that allows Trustees to select funds that align with their values, goals, and policies. Positioned uniquely between asset owners and asset managers, we leverage our position to provide Trustees with essential information they need from their managers, enabling them to create both compliant and meaningful disclosures.

1) Since the introduction of our TCFD report in 2021, we have remained committed to our mission of equipping trustees with the necessary data to address the methodological complexities associated with reporting climate-related metrics and objectives.
2) Our product range has continually evolved to offer an array of compelling investment opportunities accessible through our platform. This encompasses responsible fund strategies that serve as the foundation for ESG integration, thematic investing, and targeted impact investments. We will continue to expand these options to support our clients' objectives as they evolve.
3) Annually, we engage with a substantial number of asset managers, requiring them to provide an annual confirmation of compliance for each fund in which we invest. This verification ensures that these funds adhere to their stated policies.
4) In 2022, we took a significant step by automating our reporting capabilities, enabling us to scale our reporting services and streamline the process of requesting and receiving data from asset managers. Consequently, this automation has resulted in a notable increase in data output, enhanced information quality, and more frequent reporting.

This work is in addition to our ongoing stewardship activities which include:

a. For Life Company Funds: Solvency and Financial Controls (SFCR)
b. For Non-Life Company Funds: Latest prospectuses for the funds Mobius invests in.
c. Latest Engagement Policy & Stewardship Code
d. Latest Environmental, Social and Governance Policy.
e. Impact reports detailing activities in support of the Engagement Policy.
f. Stewardship Code & ESG Policy, covering the last 12 months.

The Crystal Trust

Statement of Investment Principles

Statement of Investment Principles

The Statement of Investment Principles (SIP) is a document the Trustee is legally required to produce which sets out the rules and beliefs by which the Trustee manages Crystal.

Who manages Crystal?

The Crystal Trustee (the Trustee) is a group whose role is to look after the assets of Crystal in the best interest of the Members. They have ultimate responsibility in choosing providers to help them invest these funds. For investment related decisions and in the creation of this SIP they are supported by their Investment Consultants, Dean Wetton Advisory (DWA). More information about the division of roles and responsibilities can be found here.

What are the investments?

The Trustee, with the help of their Investment Consultant, have designed the Crystal Lifestyle to be the primary default of Crystal. This strategy is designed to be suitable for most members, seeking higher returns by taking on higher risk for young members, and reducing the risk as members get older to help protect their assets. The strategy is built using funds provided by Legal & General Investment Management. To learn more about the main default fund, the Crystal Lifestyle, click here.

The Trustee also offers an alternative default provided by AllianceBernstein. This is a Target Date Fund, where a member invests in a single fund dated to their expected retirement age and then the fund automatically adjusts its risk and return levels as the member approaches retirement. To learn more about the Target Date Funds click here.

For members who do not wish to invest in one of the default funds, a range of self-select funds have been made available for members to choose between. More information can be found here.

For members who have reached retirement age a decumulation range has been made available. The default of the decumulation range is the Opal fund, which replicates the late stages of the Crystal Lifestyle. Members may then select from one of four decumulation strategies depending on how they wish to access their funds. More information can be found here.

What factors does the Trustee consider in investment?

The overall objective of Crystal is to facilitate the investment requirements of the members. Crystal is divided into an accumulation section and a drawdown section. The Trustee's core beliefs and targets in relation to investments, climate, and Environmental, Social and Governance (ESG) factors have also been incorporated into one document, which can be found online. The Trustee will use this to ensure the alignment of their beliefs with Investment Managers and on matters relating to stewardship and voting. A summary of ESG and material non-financial beliefs can be found here.

What risks does my pension face?

The Trustee recognises a number of risks involved in the investment of assets of Crystal. These risks and how they are managed are detailed further here.

Table of Contents

Introduction

This document constitutes the Statement of Investment Principles ('the SIP') required under Section 35 of the Pensions Act 1995 for **The Crystal Trust** ('the Scheme'). It describes the investment policy being pursued by the Trustee of the Scheme and is in accordance with the Government's voluntary code of conduct for Institutional Investment in the UK ("the Myners Principles"). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005.

The Scheme has only Money Purchase (Defined Contribution) members. There is no element of defined benefit in the scheme and therefore many issues that normally arise are simplified, and there is no requirement for a Scheme Actuary. The Investment Adviser is Dean Wetton Advisory Limited (collectively termed 'the Advisers').

The Trustee confirms, before preparing this SIP, they have consulted and have obtained and considered written advice from the Investment Adviser. The Trustee believes the Advisers to be qualified by their ability and practical experience of financial matters and to have appropriate knowledge of the investment arrangements that the Scheme requires.

The Trustee is responsible for the investment of the Scheme's assets and arranges administration of the Scheme. Where they are required to make an investment decision, the Trustee will receive advice from the relevant Advisers first and they believe that this should ensure that they are appropriately familiar with the issues concerned.

In accordance with the Financial Services & Markets Act 2000 ('FSMA'), the Trustee set general investment policy, but have delegated the day-to-day investment of the Scheme's assets to professional Investment Managers. The Investment Managers are authorised under the FSMA and have the expertise necessary to manage the investments of the Scheme.

At any time, the Trustee may be reviewing investment strategy and choose to implement a revised strategy prior to updating the SIP. This SIP reflects the current position at the time of writing. It will be updated to reflect any changes in strategy as soon as is practical.

Declaration

The Trustee confirms this Statement of Investment Principles reflects the Investment Strategy it has implemented and/or intends to implement for the Scheme. The Trustee acknowledges it is their responsibility, with guidance from the relevant Advisers, to ensure the assets of the Scheme are invested in accordance with these Principles.

Part 1: Investment Principles

Scheme Governance

The Trustee is responsible for the governance and investment of the Scheme's assets. The Trustee considers the governance structure set out in this SIP is appropriate for the Scheme as it allows the Trustee to make the important decisions on investment policy, while delegating the day-to-day aspects to the Investment Managers or the relevant Advisers as appropriate.

The responsibilities of each of the parties involved in the Scheme's governance are detailed in a later section.

The Trustee has appointed an Investment Committee who have been given decision making powers to handle the day to day running of the Scheme and make changes to investment related matters where deemed appropriate. The Investment Committee will report back to the full Trustee board.

The Trustee regularly monitors the Scheme's assets to ensure they are primarily invested in regulated investments and where unregulated investments are used these are kept to a prudent level.

The Trustee will review the allocations of the funds on at least an annual basis; however they may make ad hoc changes as they see fit.

Investment Objectives

The overall objective of the Scheme is to facilitate the investment requirements of the members. The Scheme is divided into an accumulation section and a drawdown section.

Trustee's Overall Beliefs and Targets

The Trustee's core beliefs and targets in relation to investments, climate, and Environmental, Social and Governance (ESG) factors have been incorporated into one document, which can be found online. The Trustee will use this to ensure the alignment of their beliefs with Investment Managers and on matters relating to stewardship and voting.

Accumulation

Prior to retirement, there is a default "**do it for me approach**" fund in order to reduce the risk of members inadvertently making poor choices, however this is no longer available post-retirement.

The primary Scheme default strategy is a lifestyle built using Legal & General Investment Management (LGIM) Passive Funds. The strategy targets inflation + 3.5% for younger members in the Growth fund, and Inflation + 1% for members 68 or older in the Protection fund.

Previously the primary default was a series of Target Date Funds (TDFs), which Alliance Bernstein manages (AB). The Trustee has set a quantitative objective for this, which is CPI plus 4%, de-risking to CPI +1.0% at the point of expected retirement. This is a measurable objective the Trustee can use to monitor the ongoing performance of the Scheme's investments to ensure the overall objective is met.

Certain subsections of the Scheme have other default options. These are individually detailed in later parts of the SIP.

There are also a number of "**self-select**" alternative lifestyles with varying features, costs and target return levels which provide meaningful member choice. These are set out in the table below.

Drawdown

This section aims to provide post-retirement drawdown options, which are provided in the form of a limited range of governed funds known as "**self-select funds**". The objective of the self-select funds is to provide a limited range of diversified coherent multi-asset strategies for members where each fund is appropriate depending on the members' requirements. The differences are attributable to how members are likely to draw their funds down over time. The governed funds are assigned benchmarks to match their risk exposure.

Fund Names: Accumulation

Strategy	Target above inflation*	Risk
Cash Fund	0%	Cash
Protection	1%	Passive
Crystal Lifestyle (Default)	3%	Passive
Growth	3.5%	Passive
Dynamic CRS TDF	4%	Passive, Active Asset Allocation
Active TDF	5%	Active Stock Selection, Active Asset Allocation
Active Dynamic Diversified Growth	In excess of 5%	Active Stock Selection, Active Asset Allocation

***** the target should only be considered aspirational and is not guaranteed

Fund Names: Decumulation

Fund	Allows ad hoc drawdowns	Allows member led drawdowns monthly	Pays consistent percentage each month	Considers risk relative to annuities
Opal (Default)	No	No	No	No
Aqua	Yes	Yes	No	Yes
Jade	Yes	No	Yes	Yes
Ruby	Yes	No	No	Yes
Onyx	Yes	No	Yes	No
Cash	Yes	No	No	No

Accumulation Default Option

A default option is offered to those still in the accumulation phase. Having considered advice from the Investment Adviser and having due regard for the objectives, the default option has been set as a "do it for me approach for members".

The Crystal Lifestyle has been selected as the primary default for the Scheme. This lifestyle transitions between a Growth fund, a Core fund and finally, a Protection fund providing an appropriate risk level to members as they approach age 68. It invests solely in passive investments and has no Active Asset Allocation.

The AB Customised TDFs were previously the Scheme's Primary default and are still used as a default by many members. In this structure, AB makes the strategic asset allocation according to the time to expected Target Retirement date and overlays a dynamic allocation adjustment to this according to their view of the market. The overall objective is to achieve a return of about CPI+4% de-risking to CPI +1.0% at the point of expected retirement.

The Trustee has taken advice from their Advisers to ensure both strategies are suitable for the Scheme, given its member profile, legal requirements, regulatory guidance and specifications in the Trust Deed.

The majority of the assets are held in asset classes that are sufficiently liquid to be realised easily if the Trustee requires, i.e. the underlying investments are traded regularly on a public exchange or invested via units in a pooled fund with frequent dealing dates.

Accumulation: Self-Select Options

As shown in the table above, various self-select options have been made available to members in accumulation. The purpose of the range is to provide meaningfully distinct funds with different return targets and risk levels such that members in accumulation can select a risk level appropriate to them.

Decumulation: Default

The Trustee has implemented a decumulation default which has been named Crystal Opal. The purpose of the decumulation default will be a lower cost, risk controlled, static fund suitable for members who have not made any choice or responded to any engagement about how they want to access their pot. Members may then engage to move to a fund that better targets their retirement outcomes when they so desire. The Opal fund will replicate the investment design of the Protection fund.

Decumulation: Self-Select Options (Member Selected Options)

The idea of these self-select options is members can decide the nature of their drawdown, at which point the appropriate corresponding investment strategy is provided for them. There is no direct choice on the investments.

Having considered advice from the Investment Adviser, the members have access to a "do it for me approach". In addition to the Opal default the Trustee has made available a range of self-select funds. The objective of the self-select funds is to allow members to choose from a range of age appropriate funds with differing income profiles depending on the member’s requirements. These funds will only be made available to members over 55 years old, as the self-select range is drawdown only. The default fund is also considered in this range as it may well be selected by members who prefer its income characteristics.

The **Crystal Trust Decumulation Fund Range** has been developed using diversified portfolios but varying how income is drawn down to meet members' needs. It further offers four varieties of drawdown:

Opal (Default) – This is a lower cost, risk controlled static fund that is suitable for members that have not made any choice or responded to any engagement about how they want to access their pot. Members may engage to move to a fund that better targets their retirement outcomes when they so desire. The Opal fund has a static asset allocation which replicates the investment design of the Protection fund.

Ruby – using diversified funds (AB TDFs) and allowing ad hoc drawings

Aqua– using diversified funds (AB TDFs) and allowing user-defined monthly drawings

Jade – using diversified funds (AB Retirement Bridge (RB) Strategy *) with monthly income set to be similar to an annuity

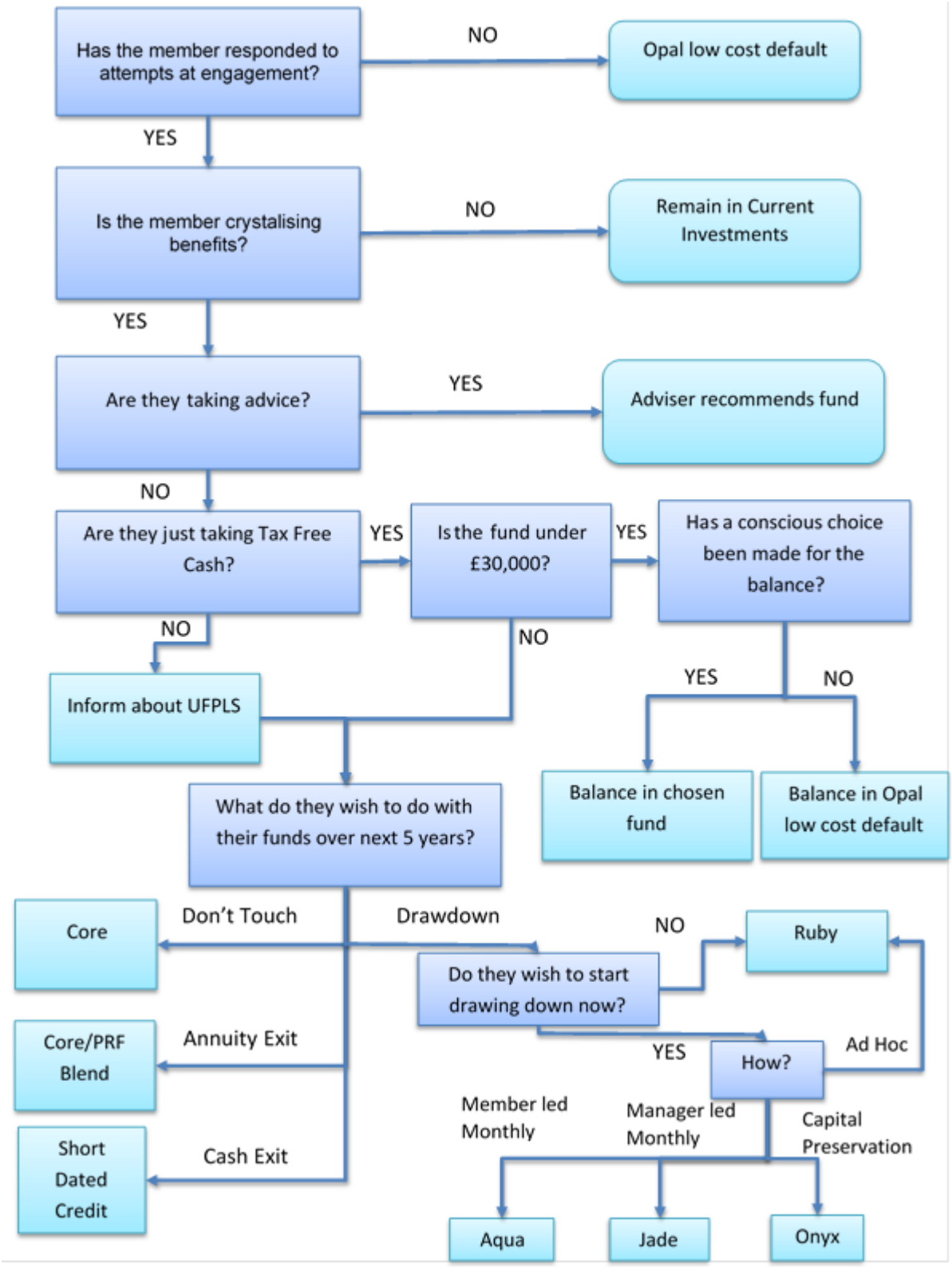
Onyx – using diversified funds (AB RB Evergreen strategy *) but paying a "sustainable" income level while preserving capital.

A cash fund is also made available to decumulation members.

** Note: AB RB Strategy is a target date strategy specifically designed to develop over time as the member ages and pays out an income and a sustainable portion of capital.*

The "Evergreen" strategy is a single strategy appropriate for a range of ages and pays out a sustainable income level while aiming to preserve capital.

The flow chart below can be used to help guide a member to their preferred option.



The Trustee has taken advice from their Advisers to ensure these strategies are suitable for the Scheme, given its member profile, legal requirements, regulatory guidance and specifications in the Trust Deed.

The majority of the assets are held in asset classes that are sufficiently liquid to be realised easily if the Trustee requires, i.e. the underlying investments are traded regularly on a public exchange or invested via units in a pooled fund with frequent dealing dates.

Manager Selection

As part of the exercise of appointing and replacing managers to particular mandates, the Trustee will have regard, amongst other things, to the managers' past performance, exhibited levels of competency, soundness of investment philosophy, risk tolerance, robustness of investment processes, and alignment of beliefs surrounding climate risks and opportunities, ESG and Responsible Investment with the Trustees own beliefs, as well as how they have acted in these areas in practice. The appointment and replacement of managers will be undertaken in conjunction with the Investment Adviser.

Investment Manager Agreement

The Trustee has predominantly invested in pooled funds, and as such, there is no formal Investment Management Agreement setting out the scope of the Investment Managers' activities, its charging basis and other relevant matters. In this case, there will likely be a principal manager responsible for the majority of assets. Therefore the principal Investment Manager has been provided with a copy of this SIP and is required to exercise their powers to give effect to the principles contained herein and in accordance with subsection (2) of Section 36 of the Pensions Act 1995.

Where investments are not held in pooled funds, the assets will be held by a Custodian on behalf of the Scheme. The day to day management of the funds' investments, including the realisation of those investments, is delegated to the external manager/s. This relationship is governed by an Investment Management Agreement (IMA), which covers discretionary investment management.

Monitoring

Investment Managers

The Trustee will monitor the performance of Investment Managers against the agreed performance objectives. An example of current benchmarks for individuals' funds is set out in the section entitled Asset Class Benchmarks in Part 2 of this document.

The Trustee, or the Advisors on behalf of the Trustee, will regularly review the activities of the Investment Managers to satisfy themselves that they continue to carry out their work competently and have the appropriate knowledge and experience to manage the assets of the Scheme.

As part of this review, the Trustee will consider whether or not the Investment Managers:

- Are carrying out their function competently
- Have been exercising their powers of investment with a view to giving effect to the principles contained in this SIP, so far as is reasonably practical

If the Trustee is not satisfied with the Investment Managers, they will ask the Investment Managers to take steps to rectify the situation. If the Investment Managers still do not meet the Trustee's requirements, they will take steps to replace them, supported by the Investment Advisor.

Advisers

The Trustee will review the advice given by the Advisers regularly, at least annually.

SIP Review

The Trustee is required to review this SIP on an annual basis or, without undue delay, following any changes to the investment strategy.

Committee and Trustee

There will be a minimum of four Investment Committee meetings and Trustee meetings per year. At least one of these will cover the full annual investment review with the inclusion of the default investment manager. If required, there may be additional virtual, face-to-face or by telephone meetings for specific investment matters that cannot wait until the scheduled Investment Committee or Trustee meeting.

Fees

1. **Investment Manager**

The Trustee will ensure the fees paid to the Investment Managers are consistent with levels typically available in the industry and the nature of services provided.

The Trustee has requested details of the Investment Managers' policies regarding soft commission arrangements. The Investment Managers disclose their fees, commissions and other transaction costs in accordance with the Financial Conduct Authority ('FCA') Disclosure Code.

2. **Advisers**

Fees paid to Advisers are based either on an agreed retainer or on fixed fees agreed in advance for specifically defined projects.

3. **Custodian**

There is no Custodian appointed directly by the Trustee, as assets will be held within pooled funds. However, some assets are held by a Custodian through a deed of adherence. The Trustee will ensure custody fees are consistent with levels typically available in the industry.

Risks

The Trustee recognises a number of risks involved in the investment of assets of the Scheme. Below is a list of these risks, but it is important to note this list is not exhaustive and that a full Risk Register is maintained and monitored regularly by the Trustee:

i. The risk of failing to meet the objectives as set out in this document – the Trustee will regularly monitor the investments to mitigate this risk

ii. Risk of lack of diversification of investments – addressed through the asset allocation policy

- Risk of holding assets that cannot be easily sold should the need arise – addressed through the use of pooled funds
- Underperformance risk – performance of funds will be compared to others in the industry on a regular basis and may lead to changing managers should it be unsatisfactory
- Country/political risk – the risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries
- Organisational risk – addressed through regular monitoring of the Investment Manager and the Advisers
- Liquidity risk – investing in assets that are generally realisable at short notice
- Environmental Risk – The risk that the investments will do unjustifiable damage to the environment, addressed through engagement with managers and TCFD reporting.
- The Trustee will keep all risks under regular review.

Environmental, Social and Corporate Governance (ESG)

The Trustee believes ESG has the potential to add value when integrated into the investment process for long term investors. Specifically, they believe it helps control risk. They are aware the additional resources required to make ESG investments will come at a cost but believe the benefits are likely to be greater than the costs. The Trustee needs to be aware of regulatory factors which could materially affect the risks involved. The extent of ESG should be limited to where there is a case for improving investment outcomes for members.

The Trustee has begun reporting in line with the Taskforce for Climate Related Disclosures (TCFD) in order to understand better the climate-related risks and opportunities affecting the investments and to, in turn, better manage them.

The Trustee's core beliefs and targets in relation to investments, climate, and ESG factors have been incorporated into one document, which can be found online. The Trustee will use this to ensure the alignment of their beliefs with Investment Managers and on matters relating to stewardship and voting.

Other Financially Material Considerations

The Trustee does not consciously let any other financially material consideration affect their decision making ahead of improving the financial outcome of members.

Stewardship

The Trustee ensures Investment Managers and platform providers are aligned with the Trustee beliefs on ESG by initially selecting Investment Managers whose principles are aligned with Crystal's own beliefs and policies. The Trustee then engages with their Investment Managers, AB and LGIM, to ensure their viewpoints around climate and ESG remain in line with those of the Trustee and voting rights are continued to be effectively used.

The Trustee believes that engagement with companies in which the Trust invests, including the proactive use of shareholder voting rights, can improve the long-term return on the Crystal's investments. The Trustee has developed a Stewardship and Voting policy which provides further information on the Trustee approach to engagement and voting and can be found in appendix A.

The Trustee expects the platform provider and fund managers will have the members' financial interests as their first priority. Where performance is deemed unsuitable, the Trustee will engage the Investment Adviser to work with the Trustee and the Investment Manager to determine a resolution process on the continued suitability of the investments.

As the Trustee invests in pooled funds, they do not directly select issuers for investment or give stock level guidance to their investment managers. This also extends to engagement whereby the Trustee does not directly engage with, nor do they give guidance to their investment managers to engage with, specific issuers for investment. Therefore, the Trustee defers many responsibilities by selecting investment managers with principles aligned with their own. These responsibilities include, but are not limited to, monitoring of capital structure, risks including transition and physical risks and ESG matters of the companies they invest in, as well as the monitoring and management of turnover and associated costs of the portfolio. This includes, but is not limited to, monitoring of capital structure, risks and ESG matters of the companies they invest in and also includes the monitoring and management of turnover and associated costs of the portfolio. The Trustee also avoids conflicts of interest, both with engagement and other parties with an interest in companies they invest in, by deferring the direct engagement to the investment managers, including any and all dealing with relevant persons. With the help of their Investment Adviser, the Trustee reviews the investment managers regularly to ensure they continue to believe they are appropriate for investing members' funds in. The majority of investments are made passively thus circumventing risks of conflicts of interest. While many responsibilities are deferred, they are considered when the Trustee and their Investment Adviser review the manager to ensure they remain appropriate.

Policy for Asset Managers

As the Investment Managers make the day to day decisions of running the portfolio, it is important they are properly incentivised to act in the interests of the membership. This is achieved in a number of ways. Managers are paid based on a percentage of assets under management (AUM), this incentivises an alignment of interests by encouraging long term performance. In addition, no contract with investment managers is under a fixed term and managers can be replaced if at any point the Trustee and their Investment Advisor believes they are not acting in members' best interests. The Trustee reviews performance at least quarterly and in more detail at least annually, although they take a longer term view, often of at least 3 years. The default investment managers are made aware of the Trustee's beliefs to ensure that they are accurately reflected. The Trustee has reviewed the investment managers' beliefs to ensure they are in line with their own. Investment performance is monitored at least quarterly and reviewed at least annually. Both Default Investment Managers have a strong policy of engagement and are generally long term investors, the Trustee is comfortable that the time frame the investment managers consider is suitable for DC saving.

Division of Responsibilities

Trustee

The Trustee of the Scheme is responsible for, amongst other things:

i. Determining the Scheme's investment objectives and reviewing these annually and in more detail triennially.

ii. Agreeing an investment strategy designed to meet the investment objectives of the Scheme.

Reviewing the content of this SIP and modifying it if deemed appropriate, in consultation with the Advisers, at least annually.

Reviewing the suitability of the investment policy following the results of each investment review, in consultation with the Advisers.

i. Assessing the quality of the Investment Managers' performance and process through regular reviews of the investment results and other information, by way of meetings and written reports, in consultation with the Advisers.

ii. Appointing and dismissing investment manager(s), the performance measurer, Custodian(s) and transition manager(s) in consultation with the Advisers.

iii. Assessing the ongoing effectiveness of the Advisers on an ongoing basis with a full review every three years.

iv. Monitoring compliance of the investment arrangements with this SIP on an ongoing basis.

Investment Manager

The Investment Manager will be responsible for, amongst other things:

i. At their discretion, but within any guidelines given by the Trustee, implementing changes in the asset mix and selecting and undertaking transactions in specific investments within each asset class.

ii. Providing the Trustee with sufficient information each quarter to facilitate the review of its activities, including:

- A report of the strategy followed during the quarter.
- The rationale behind past and future strategy.
- A full valuation of the assets and a performance summary.
- A transactions report and cash reconciliation.
- Corporate actions taken by the Investment Manager.
- Any changes to the process applied to the portfolio.
- Future intentions in the investment management of the Scheme's assets.
- Stewardship and Voting Behaviour
- Carbon and Climate metrics as required for TCFD reporting

iii. Informing the Trustee immediately of:

- Any breach of this SIP that has come to their attention.
- Any serious breach of internal operating procedures.
- Any material change in the knowledge and experience of those involved in managing the Scheme's investments.
- Any breach of investment restrictions agreed between the Trustee and the Investment Managers.

Investment Adviser

The Investment Adviser will be responsible for, amongst other things:

i. Participating with the Trustee in reviews of this SIP.

ii. Advising the Trustee how any changes within the Scheme's membership may affect the manner in which the assets should be invested.

iii. Advising the Trustee of any changes in the Scheme's Investment Managers that could affect the interests of the Scheme.

iv. Providing industry data for comparison purposes with the funds currently held.

v. Undertaking reviews of the Scheme's investment arrangements including reviews of the asset allocation policy and current Investment Managers, and selection of new managers/custodians/performance measurers, as appropriate.

vi. Assisting the Trustee in fulfilling their regulatory reporting requirements, including collecting and collating data from the Investment Managers.

Part 2: Primary Default – Crystal Lifestyle Strategy

LGIM Funds

The Trustee has considered a Lifestyle Strategy for employers who wish to have a lower cost strategy. LGIM is a global leader in passive investment and has offered a preferential rate for Crystal. The strategy offers risk reduction over a members' investment journey until the age of 68 when a member becomes fully invested in the Protection fund.

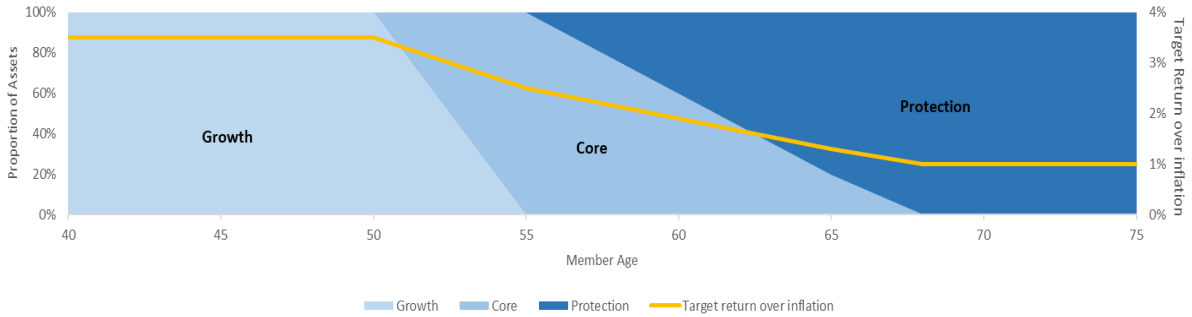
This strategy is used as a default for a number of subsections of the Scheme, and by Trustee agreement for some employers within the Bluesky section of Crystal.

As a reflection of the Trustee's commitment to better ESG, a number of underlying funds are now included that have a specific ESG tilt within them. The funds have been redesigned such that the risk and expected return levels of the funds should be approximately the same.

The core strategy is invested 56% in equities, 11% in alternatives and 33% in bonds It exhibits around two-thirds of the risk of an equity-only portfolio while targeting around 80% of equity returns.

Strategy	Target Return	Target Risk Level
Growth	Inflation + 3.5%	95% of Equity Risk
Core	Inflation + 2.5%	2/3rds of equity risk
Protection	Inflation + 1%	1/3rd of equity risk
Global Equity (benchmark)	Inflation + 3.75%	

The glidepath below shows the fund allocation as a member ages.



There is also the option of only using a single fund and this can be provided according to preference.

The philosophy underlying each of the strategies is based on a core holding in Global Equities and Corporate Bonds with a small exposure to long-dated gilts and index-linked gilts. It includes a small diversifying allocation to REITS, Infrastructure, Private Equity and emerging market debt. Long-dated gilts have also been introduced as diversifiers. Long-dated gilts have a higher sensitivity to interest rate (and inflation for index-linked gilts) than normal gilts, ensuring maximum exposure to the asset class for a smaller allocation.

The tables below sets out further details on the strategies:

crystal

Previous Lifestyle

Asset Class / Fund name	Growth	Core	Protection
Equity	**82%**	**53%**	**15%**
Global Equity - *DB - World Equity Index*	82%	53%	15%
Diversifiers	**13%**	**14%**	**16%**
REITS - *MD - Global Real Estate Equity Ind*	3%	4%	5%
Infrastructure - *MB - Global Infrastructure Equity Index*	2%	3%	3%
Private Equity - *MC - Global Listed Private Equity Passive Fund*	3%	2%	1%
EM local currency government bond - *XPAB - EM Passive Local Currency Government Bond*	2%	2%	3%
EM hedged debt - *XPAC - EM Passive USD Gov Bond*	3%	3%	4%
Bonds	**5%**	**30%**	**32%**
Corporate Bonds - *EB - Investment Grade Corporate Bond All Stocks Index*	5%	20%	27%
Index Linked - *Y - All Stocks Index-Linked Gilts*	0%	10%	5%
Cash	**0%**	**3%**	**37%**

New Crystal Lifestyle

Asset Class / Fund name	Growth	Core	Protection
Equity	**89%**	**56%**	**15%**
Global Equity - *DB - World Equity Index*	42%	34%	0%
Future World All World - *GPGE*	32%	13%	15%
Future World UK Equity - *UPAK*	15%	9%	0%
Diversifiers	**8%**	**11%**	**15%**
REITS - *MD - Global Real Estate Equity Ind*	2%	3%	5%
Infrastructure - *MB - Global Infrastructure Equity Index*	1%	2%	3%
Private Equity - *MC - Global Listed Private Equity Passive Fund*	2%	1%	0%
EM local currency government bond - *XPAB - EM Passive Local Currency Government Bond*	1%	2%	3%
EM hedged debt - *XPAC - EM Passive USD Gov Bond*	2%	3%	4%
Bonds	**3%**	**33%**	**65%**
Corporate Bonds - *EB - Investment Grade Corporate Bond All Stocks Index*	0%	5%	10%
Future World Corporate Bonds - *CCAT*	0%	18%	18%
Long Gilts - *AF - Over 15y Gilts Index*	3%	0%	0%
Index Linked - *Y - All Stocks Index-Linked Gilts*	0%	10%	5%
Short Gilts - *BS - 0 to 5 Year Gilts Index*	0%	0%	32%
Cash	**0%**	**0%**	**5%**

The composition of the strategies can be changed at the Trustee's discretion. Changes are likely to be strategic in nature rather than dynamic.

Material Financial Considerations for Lifestyle

The Future World Funds contain an enhanced ESG element by tracking LGIM designed ESG indices with a tilting mechanism that reduces exposure to companies associated with poor ESG practices and increases exposure to those with better practices. Each company in the index is given an ESG score which assessed them on a wide range of ESG factors. The relative score affects how much the index tilts towards or away from them. However, there are caps on how much each stock and sector can be tilted. This increases the overall ESG of the index without significantly altering the overall risk profile.

As the standard LGIM investments are all passive, there is currently no ESG tilt at an investment decision making level. However, LGIM are active users of their voting rights and as such passive investments will benefit from their active holdings. They have also shown a commitment to ESG issues through their Climate Impact Pledge, whereby they intend to use their rights as major shareholders to engage with 84 of the world's largest companies. They are also analysing, scoring and ranking them against their peers in terms of climate impact in order to incentivise them to improve their strategies and try and achieve a better ranking. LGIM makes public the names of some of the best and worst performers to further create incentive.

LGIM's ESG Statement

Being one of the world's largest asset managers with a long history of corporate engagement on the most material long-term issues, LGIM has the scale and ability to make a real, positive impact on the companies in which we invest and on society as a whole. We share this objective – made far more attainable by ongoing improvements in ESG data – with a growing number of clients. We believe that responsible investing cannot be just a box-ticking exercise. So from the votes cast by our Investment Stewardship team to the investment processes deployed in our funds, we continue to take steps to embed the principles of responsible investing across our entire business – and act on them.

We believe well-governed companies that manage all stakeholders, including the environment and society, are more likely to deliver sustainable long-term returns. We view the consideration of ESG issues as part of risk management and therefore, part of our fiduciary duty. We recognise that companies are intrinsically linked to the economies and societies in which they operate, and we, therefore, believe investors have a responsibility to the market as a whole. Our ultimate goal is to protect and enhance the investment returns for the benefit of our clients' assets.

We do this through:

- Company engagement
- Using our voting rights globally
- Integrating environmental, social and governance factors into portfolio management
- Addressing systemic risks and opportunities
- Influencing governments, regulators and policymakers
- Collaborating with other investors and stakeholders

We believe real change is achieved by being an engaged and active owner. Our knowledge and judgment are valuable to our clients when exercising their voting rights. We strive for influence at companies by pooling all our clients' assets, giving us a more powerful position.

LGIM votes in all major developed markets and the main emerging markets, covering approximately 98% of the FTSE All-World Index constituents by market capitalisation. Much of the voting activity is combined with direct engagement with companies' boards to ensure they understand LGIM's concerns and to encourage improvements to their structure and/or policy. In addition to engaging directly with investee companies, we engage collaboratively with other investors in order to positively influence companies and promote market best practice. We believe building and maintaining relationships with the companies in which we invest allows us to better understand and respond to their concerns. In addition, better communication enables companies to get a sense of whether investors feel that the company is performing well and/or operating efficiently.

We are active proponents of the benefits of the global stewardship codes in improving the quality of stewardship and ownership across the markets in which we invest. LGIM has been a signatory to the UN PRI since September 2010. We endorse, and annually report on our commitment to the six responsible investment principles, including the integration of ESG issues into investment practices. In 2019, the UN PRI awarded LGIM an A+ score for our strategy and governance, the top rating in its evaluation of our responsible investment practices.

Part 3: Alternative Default - Customised Target Date Funds

Manager Selection: Crystal and Bluesky Legacy Default

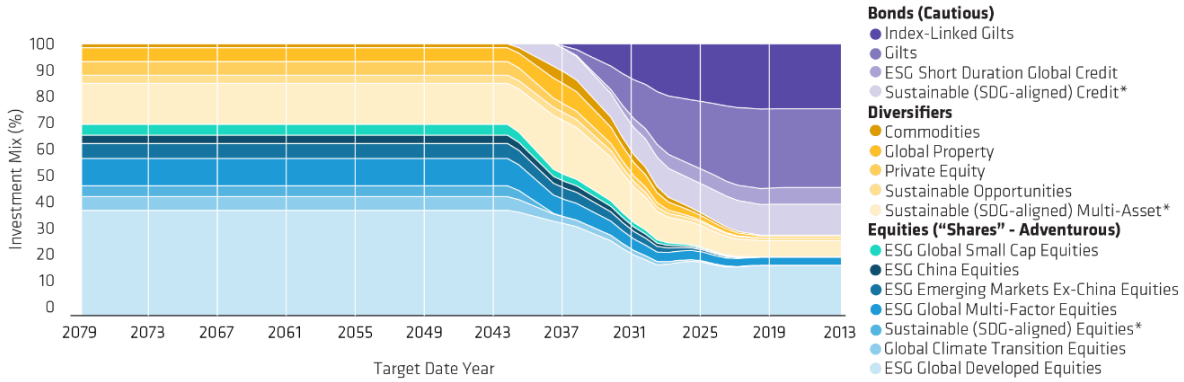
The Trustee has decided to use a series of Target Date funds managed by AB, but customised to the specific membership of the Scheme. It is anticipated a majority of members will use the Target Date funds.

There follows a description of the Target Date structure:

The strategy is set up in a particularly appealing way for DC members, making it a "one-fund for life" arrangement. The asset allocation is automatically adjusted based on a glide path to retirement for the member. The fund structure is a target date fund, where a member invests in an individual fund that is slated for their expected retirement age. The fund automatically adjusts asset allocation over time to de-risk the portfolio nearer to retirement and invest more in safer fixed income products providing cash flow and liquidity. Each member invests in a fund targeting their expected retirement age, and the asset allocation and de-risking of the portfolio is done for them by AB.

The Strategic Asset Allocation follows a clear de-risking strategy in the approach to expected retirement and beyond and includes a wide opportunity set of assets. This is overlaid with a Dynamic Asset Allocation process, in which the manager's current views on market risk and return are used to amend the asset allocations with the objective to reduce short term risk for members without damaging long-term returns. The current strategic risk allocation is shown below. On 7 June 2022 the Trustee approved a slight adjustment to the risk budget which delays derisking and increases risk and therefore return closer to retirement. This change was suggested by AB following a detailed member analysis and recommended by DWA which was first approved by the Trustee's Investment Committee before being ratified by the Trustee at its meeting on 7 June 2022. These changes were implemented over Q3 2022.

Strategic Asset Allocation Illustration



*SDGs are the United Nations Sustainable Development Goals. To be aligned, AB invests in companies with products and services that contribute to positive social and environmental outcomes.

The fund also has an oversight committee, aptly named the Investment Design and Oversight Committee (IDOC). They act almost in a trustee role for all clients in the fund. They provide oversight and accountability for all AB DC clients, while vetting and documenting all new investment designs.

Material Financial Considerations for Target Date Funds

The investment manager has provided the Trustee with the extent to which they consider ESG within the offering. The response is included below.

AB ESG Statement

The default investment arrangement is managed by AB. In managing these investments, AB must consider and address certain environmental, social and governance (ESG) issues. AB has long recognised that ESG issues can impact the performance of investments, and is committed to addressing these issues thoughtfully, responsibly and in a manner best aligned with the views of its clients. Consistent with Trustee requirements and, as clarified by the Law Commission, this must be balanced with consideration to investment outcomes and the cost to members of the Scheme.

Integrating ESG Considerations into Investment Processes

AB's primary approach to managing ESG factors is through "integration" - this is the bottom-up integration of ESG factor considerations into all its research and investment processes. It is their belief that integration is important for identifying financially material investment risks as well as opportunities. This long-held belief led to AB becoming a signatory to the UN Principles for Responsible Investment (PRI) on 1 November 2011.

Active Ownership of Assets

Where AB holds assets directly, they act on identified ESG issues in a two-pronged approach to active asset ownership. They directly engage with equity and bond issuers as part of their research process to address ESG factors and seek to instil better practices in target companies; and they make use of the voting rights attached to particular investments. These votes are made in line with their proxy voting policy, which incorporates ESG factors and they believe reflects the best long-term economic interests of their clients.

Considering ESG when Allocating to Third-Party Investment Managers

The TDFs primarily utilise a selection of underlying third-party investment managers' funds to gain access to a broad range of investments. As these underlying funds are predominantly passively managed and systematic approaches, the incorporation of active ESG consideration when making an investment and taking ownership is limited. Furthermore, as these funds and their investments are not managed by AB, the ability to incorporate their approach to ESG factors is also somewhat limited.

To address this, when selecting and appointing third-party investment managers, AB thoroughly reviews shortlisted managers' responsible investment policies, credentials and track records to ensure that any appointed manager is as closely aligned to the polices of AB as possible. To monitor appointed managers, AB performs regular ongoing due diligence on appointed managers to review policies and monitor changes to ensure that the appointment remains in the best interests of its clients.

Rewarding Better ESG and Climate-Related Practices

In 2018, AB began implementing a positive ESG 'tilt' directly within the multi-factor equities allocation. While the implementation of this tilt has changed over time, the multi-factor allocation is today managed by a third-party investment manager. It uses a passive investment approach to gain simple exposure to multiple factors, while also applying controversial business activity screens and a tilt that improves the overall ESG score of the strategy subject to an tracking error budget. While serving to provide expected capital growth consistent with strategy objectives, the allocation effectively enhances the ESG credentials of the entire strategy.

Following analysis of the potentially excessive risk exposure to carbon-based revenue, AB implements a tilt of the strategy away from stocks that are directly and indirectly carbon-centric. This reduction is achieved with the use of a low carbon index strategy. AB believes that the market may be underpricing the risk associated with high-intensity carbon companies and have chosen to implement the carbon intensity reduction slowly through time to avoid the high risk of tactically timing what is a long-term market structural change.

Excluding Investment in Controversial Weapons

Where the investments are managed by third party investment managers, there may not be an explicit exclusion of investments in companies associated with the production/distribution of controversial weapons. This is typically because of the passively managed (i.e. index following) approaches of these appointments. AB has collated information of particular investment exclusions such as this and will continue to monitor this going forward through its ongoing due diligence and manager selection processes. Currently, Amundi is the only underlying third party investment manager to explicitly apply controversial weapon exclusions.

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Overview Framework for ESG Integration

Below is a framework that summarises AB's ESG integration in the strategies managed for the Scheme. The percentages shown broadly represent AB's asset allocation (excluding government bonds) as at 31 December 2021.

		Approximate Allocation Affected (%)		
		20 Years to Target Date	**10 Years to Target Date**	**1 Years to Target Date**
Active Consideration and Ownership/Engagement	**Active ESG Consideration**	100%	100%	100%
	AB Comment	*As the manager of the overall strategy, AB actively considers ESG factors in an integrated basis across the strategy.*		
	Active Investment with Active Ownership/Engagement	24.5%	33.9%	38.1%
	AB Comment	*The actively managed allocations make inherent use of ownership rights and engagement to unlock additional value.*		
	Passive Investment with Systematic Ownership/Engagement	72.9%	63.2%	61.9%
	AB Comment	*All underlying passive managers make use of active ownership and engagement for the securities that they hold where significant opportunities arise to protect and enhance investment value.*		
ESG Standards	**Underlying managers UNPRI signatories**	100%	100%	100%
	AB Comment	*All of the underlying managers used within the strategy are signatories of the UNPRI.*		
Explicit ESG Issues	**Exclusion of Controversial Weapons**	94.4%	95.1%	100.0%
	AB Comment	*AB has taken a hard-line view to remove all exposure to corporates involved in the business of controversial weapons.*		
	Exclusion of Other Activities	87.8%	89.0%	100.0%
	AB Comment	*In line with AB's views on the ESG risks associated with certain controversial business activities, we have extended exclusions to thermal coal, tobacco and civilian firearms across the strategy. We also tilt away from other controversial activities (via exclusions in selected allocations), these include: alcohol, gambling, adult entertainment, nuclear weapons, and nuclear power.*		
	Climate Change Focus	87.8%	89.0%	100.0%
	AB Comment	*There are a number of features that seek to reduce carbon risks. There is a climate transition allocation which seeks to reduce investment in companies that are directly or indirectly carbon centric. There are also thermal coal exclusions applied to directly reduce carbon-rich exposures. Indirectly, a positive ESG tilt (which improves ESG quality) in the multi-factor, China and EM ex China equity allocations reduce carbon exposure.*		

Source: AB. Allocations are that of the Crystal Retirement Strategy as at 31 December 2021, excluding government bonds.

Source: AB. Allocations are that of the AB Retirement Strategies as at 31 December 2021, excluding government bonds.

Part 4: - Active Target Date Funds

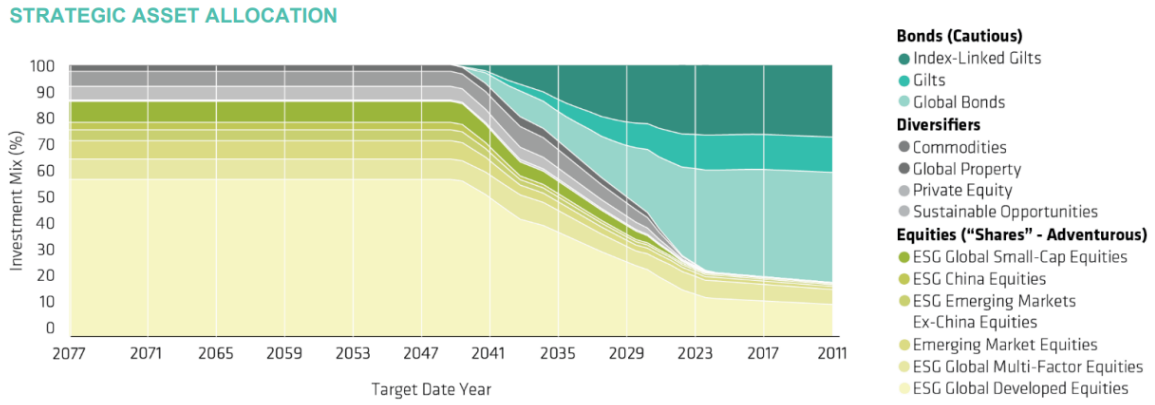
This investment option was previously a Scheme section default but is now a self select option. The Trustee has decided to use an additional series of Target Date funds, managed by AB, compared to the Primary Default these have a larger active stock selection element, this moves further away from the market weighted approach of passive funds and allows the investment manager greater discretion in the securities invested in.

There follows a description of the Target Date structure:

Like the Customised TDFs the strategy is set up in a "one-fund for life" arrangement, where the asset allocation is adjusted based on a glide path to retirement automatically for the member. The fund structure is a target date fund, where a member invests in an individual fund that is slated for their expected retirement age and the fund automatically adjusts asset allocation over time to de-risk the portfolio nearer to retirement, and invest more in safer fixed income products providing cash flow and liquidity. Each member invests in a fund in or around their expected retirement age, and the asset allocation and de-risking of the portfolio is done for them by AB. The key difference between this and the default strategy is the active stock selection element, which allows the manager greater discretion in the stocks invested in with the aim of outperforming the benchmark.

The Strategic Asset Allocation follows a clear de-risking strategy in the approach to expected retirement and beyond and includes a wide opportunity set of assets. This is overlaid with a Dynamic Asset Allocation process, in which the manager's current views on market risk and return are used to amend the asset allocations with the objective to reduce short term risk for members without damaging long-term returns.

Strategic Asset Allocation Illustration



Source: AB—Active Retirement Strategies
As at 31st December 2021

The fund also has an oversight committee, aptly named the Investment Design and Oversight Committee (IDOC). They act almost in a trustee role for all clients in the fund. They provide oversight and accountability for all AB DC clients, while vetting and documenting all new investment designs.

Material Financial Considerations for Active Target Date Funds

The investment manager's ESG position is available in the Default section above, as the provider is the same. As there are some differences in the underlying funds there are some differences in the percentage allocations. The table for the Active TDFs is shown below.

		Approximate Allocation Affected (%)		
		20 Years to Target Date	**10 Years to Target Date**	**1 Years to Target Date**
Active Consideration and Ownership/Engagement	**Active ESG Consideration**	100%	100%	100%
	AB Comment	*As the manager of the overall strategy, AB actively considers ESG factors in an integrated basis across the strategy.*		
	Active Investment with Active Ownership/Engagement	39.5%	50.6%	71.1%
	AB Comment	*With numerous active underlying components, investment managers make full use of active ownership and engagement. The actively managed private equity allocations make inherent use of ownership rights and engagement to add value.*		
	Passive Investment with Systematic Ownership/Engagement	57.7%	46.0%	28.9%
	AB Comment	*All underlying passive managers make use of active ownership and engagement for the securities that they hold where significant opportunities arise to protect and enhance investment value.*		
ESG Standards	**Underlying managers UNPRI signatories**	100%	100%	100%
	AB Comment	*All of the underlying managers used within the strategy are signatories of the UNPRI*		
Explicit ESG Issues	**Exclusion of Controversial Weapons**	90.1%	85.4%	83.6%
	AB Comment	*To the extent that it is possible, AB has taken a hard-line view to remove all exposure to corporates involved in the business of controversial weapons. In line with this, numerous underlying allocations make exclusions to controversial weapon related activities.*		
	Exclusion of Other Activities	50.6%	39.6%	33.5%
	AB Comment	*In line with AB's views on the ESG risks associated with certain controversial business activities, a number of allocations now include wider exclusions to activities such as alcohol, tobacco, gambling, adult entertainment, firearms, nuclear weapons, controversial weapons, thermal coal and nuclear power.*		
	Climate Change Focus	50.6%	39.6%	33.5%
	AB Comment	*There are a number of features that seek to reduce carbon risks. There are thermal coal exclusions being applied to directly reduce carbon-rich exposures. Indirectly, a positive ESG tilt (which systematically improves ESG quality) in the multi-factor allocation reduces carbon exposure.*		

Source: AB. Allocations are that of the Active Retirement Strategies as at 31st December 2021, excluding government bonds.

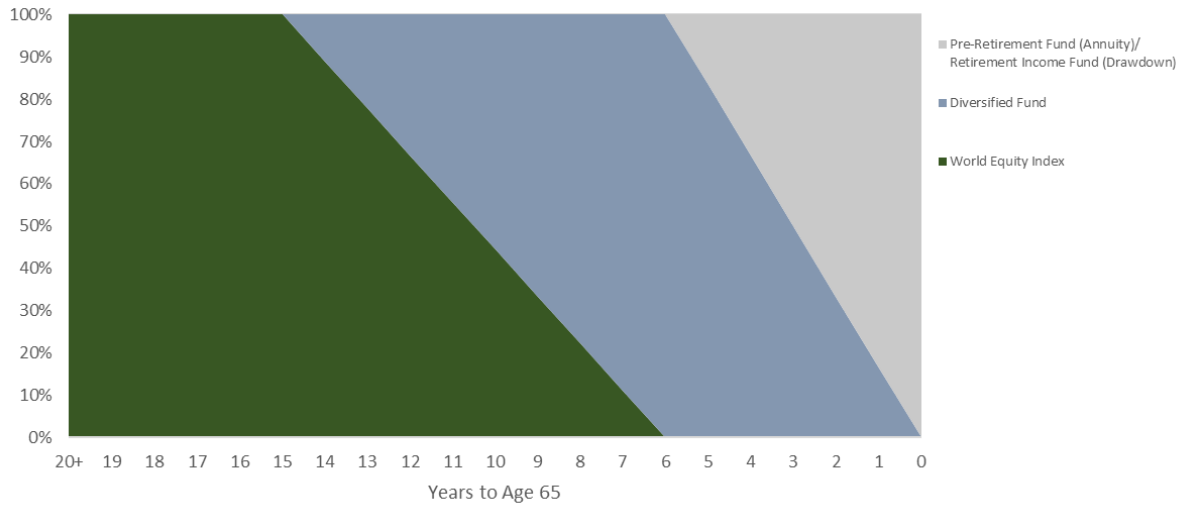
Part 5: Ex-Supertrust Section – Alternative Self-Select Lifestyle Strategies

The Trustee has approved self-select alternative lifestyles for one section of the Scheme. This section replicates the investments members had in their previous scheme. The default of this section was changed on 4 October 2022 to the Crystal Lifestyle Strategy as described in Part 2.

The section has access to two self-select alternative lifestyles, each with a similar glidepath:

- Lifestyle (Annuity)
- Lifestyle (Drawdown)

The strategy glidepath, is shown below. The strategy moves from a 100% World Equity allocation, through a diversified multi asset fund before finally de-risking into either a Pre-Retirement Fund in the case of the Annuity Lifestyle or into a Multi-Asset Retirement Income fund in the case of the Drawdown Lifestyle.



Material Financial Considerations for Section Lifestyle

As the LGIM investments are all passive there is currently no ESG tilt at an investment decision making level. However, LGIM are active users of their voting rights and as such passive investments will benefit from their active holdings. They have also shown a commitment to ESG issues through their Climate Impact Pledge, whereby they intend to use their rights as major shareholders to engage with 84 of the world's largest companies. They are also analysing, scoring and ranking them against their peers in terms of climate impact in order to incentivise them to improve their strategies and try and achieve a better ranking, LGIM makes public the names of some of the best and worst performers to further create incentive.

LGIM's ESG Statement

Being one of the world's largest asset managers with a long history of corporate engagement on the most material long-term issues, LGIM has the scale and ability to make a real, positive impact on the companies in which we invest and on society as a whole. We share this objective – made far more attainable by on-going improvements in ESG data – with a growing number of clients. We believe that responsible investing cannot be just a box-ticking exercise. So from the votes cast by our Investment Stewardship team to the investment processes deployed in our funds, we continue to take steps to embed the principles of responsible investing across our entire business – and act on them.

We believe that well-governed companies that manage all stakeholders, including the environment and society, are more likely to deliver sustainable long-term returns. We view the consideration of ESG issues as part of risk management, and therefore part of our fiduciary duty. We recognise that companies are intrinsically linked to the economies and societies in which they operate and we therefore believe that investors have a responsibility to the market as a whole. Our ultimate goal is to protect and enhance the investment returns for the benefit of our clients' assets.

We do this through:

- Company engagement
- Using our voting rights globally
- Integrating environmental, social and governance factors into portfolio management
- Addressing systemic risks and opportunities
- Influencing governments, regulators and policy makers
- Collaborating with other investors and stakeholders

We believe that real change is achieved by being an engaged and active owner. Our knowledge and judgement is a valuable service to our clients when exercising their voting rights. We strive for influence at companies by pooling all our clients' assets, giving us a more powerful position.

LGIM votes in all major developed markets and the main emerging markets, covering approximately 98% of the FTSE All-World Index constituents by market capitalisation. Much of the voting activity is combined with direct engagement with companies' boards to ensure that they understand LGIM's concerns and to encourage improvements to their structure and/or policy. In addition to engaging directly with investee companies, we engage collaboratively with other investors in order to positively influence companies and promote market best practice. We believe that building and maintaining relationships with the companies in which we invest allows us to better understand and respond to their concerns. In addition, better communication enables companies to get a sense of whether investors feel that the company is performing well and/or operating efficiently.

We are active proponents of the benefits of the global stewardship codes in improving the quality of stewardship and ownership across the markets in which we invest. LGIM has been a signatory to the UN PRI since September 2010. We endorse, and annually report on our commitment to the six responsible investment principles, including the integration of ESG issues into investment practices. In 2019, the UN PRI awarded LGIM an A+ score for our strategy and governance, the top rating in its evaluation of our responsible investment practices.

The section only also has access to the following self select funds:

Fund name
LGIM ST Investment Grade Corporate Bond All Stocks Fund
LGIM ST Over 15 Year Gilts Fund
LGIM ST Over 5 Year Index-Linked Gilts Fund
LGIM ST All Stocks Gilts Index Fund
LGIM ST Cash
LGIM ST Global Equity Fixed Weight (50:50) GBP Hedged Fund
LGIM ST Pre-Retirement Fund
LGIM ST Pre-Retirement Inflation Linked Fund
LGIM ST UK Equity Fund
LGIM ST World (Ex UK) Equity Index Fund
LGIM ST World Emerging Market Fund
LGIM ST Diversified Fund
LGIM Dynamic Diversified Fund
LGIM ST Global Real Estate Fund
LGIM Hybrid Property (70:30) Fund
LGIM ST Asia (Ex Japan) Developed Equity Fund
LGIM ST World Equity Index Fund
LGIM Retirement Income Multi-Asset Fund
Crystal Shariah Fund

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Part 6: Decumulation Default

The Trustee has made available a default option for decumulation members. The purpose of the decumulation default is to provide a lower cost, risk controlled static fund that is suitable for members that have not made any choice or responded to any engagement about how they want to access their pot. Members may engage to move to a fund that better targets their retirement outcomes when they so desire. The Opal fund replicates the investment design of the Protection fund.

The breakdown of the fund is shown below.

Asset Class / Fund Name	Opal Allocation
Equity	**15%**
Future World All World - GPGE	15%
Diversifiers	**15%**
REITS - MD - Global Real Estate Equity Ind	5%
Infrastructure - MB - Global Infrastructure Equity Index	3%
EM local currency government bond - XPAB - EM Passive Local Currency Government Bond	3%
EM hedged debt - XPAC - EM Passive USD Gov Bond	4%
Bonds	**65%**
Corporate Bonds - EB - Investment Grade Corporate Bond All Stocks Index	10%
Future World Corporate Bonds - CCAT	18%
Index Linked - Y - All Stocks Index-Linked Gilts	5%
Short Gilts - BS - 0 to 5 Year Gilts Index	32%
Cash	**5%**

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Part 7: Crystal: Self-Select Funds

Accumulation: Self-Select Funds

The Trustee has implemented the following funds for the Self-select fund range for those still in accumulation:

Strategy	Target above inflation*	Risk	Notes	Manager
Cash	0%	Cash	Not suitable for long term investment. Inflation will erode real value over time.	LGIM
Protection	1%	Passive	Part of existing lifestyle	LGIM Protection
Crystal Lifestyle	3%	Passive	Current default	Low Cost Lifestyle using LGIM
Growth	3.5%	Passive, Active Asset Allocation	Part of existing lifestyle	LGIM Growth
Dynamic CRS TDFs	4%	Passive, Active Asset Allocation	Current default	AB
Active TDFs	5%	Active Stock Selection, Active Asset Allocation	New range	AB + Additional External Managers.
Active Dynamic Diversified Growth	6%	Active Stock Selection, Active Asset Allocation	Forever Young version of Active TDFs above	AB
Shariah	4%	Passive, active Asset Allocation		HSBC

***** the target should only be considered as aspirational and is not guaranteed.
In addition to the above the following strategies will only be made available on request.

	Target above inflation	Risk	Notes	Manager
Ethical	4%	Passive, active Asset Allocation	These funds will only be offered where a client has a particular need, after the initial assessment by Evolve.	LGIM

Decumulation: Self-Select Funds

The Trustee has selected the following strategies for the Self-select fund range:

Opal – This is a lower cost, risk controlled static fund that is suitable for members that have not made any choice or responded to any engagement about how they want to access their pot. Members may engage to move to a fund that better targets their retirement outcomes when they so desire. The Opal fund has a static asset allocation which replicates the investment design of the Protection fund.

Ruby – using diversified funds (AB TDFs) allowing ad hoc drawings by members

Aqua– using diversified funds (AB TDFs) and allowing user-defined monthly drawings by members

Jade – using diversified funds (the AB RB strategy) with monthly income set to be similar to an annuity

Onyx – using diversified funds (AB RB Evergreen strategy) but paying a "sustainable" level of income while preserving capital.

Cash – A cash fund for members who wish to protect the nominal value of their fund over the short term. This is not suitable for long term investment as inflation will erode the real value of investments over time.

The AB TDFs are covered in the alternative default section, it is the same strategy but with different withdrawal by members.

The AB RB and Evergreen strategy are governed by an IMA with AB. The objectives of the strategy are as follows:

For each Age Based Drawdown Fund

The Manager will invest the Age Based Drawdown Funds with the target of providing an annual income in the range of 90-102.5% of the relevant "Income Benchmark" (as defined below) for each Age Based Drawdown Fund. The lower limit of this range shall be increased annually by 0.5% from the year in which the member of the Scheme obtains their 65th birthday such that by the year in which such member reaches their 75th birthday, the range is defined at 95-102.5%. Within this target range, the Manager will aim to maximise the potential annual income from the Age Based Drawdown Fund subject to minimising the chance that the income will fall in any one year.

"Income Benchmark" means, the independently verifiable reference rate of income relevant for the specific Age Based Drawdown Fund against which the Manager compares the sustainable income rate by reference to an age-based benchmark (as determined from time to time by the Manager) that takes account of current market yields and mortality assumptions.

As at the implementation of the strategy, the Manager has determined the initial Income Benchmark is the top market annual income rate as quoted by the Money Advice Service for an annuity with the following parameters:

- A healthy, non-smoker born on 1st July in the year as referenced by the account (reflecting the year of birth of each member in the Scheme) with a Chelmsford (Essex) postcode; and
- A joint-life (50% reversionary pension on death of first life) with partner born on the same date living at same postcode; and
- No guarantee.

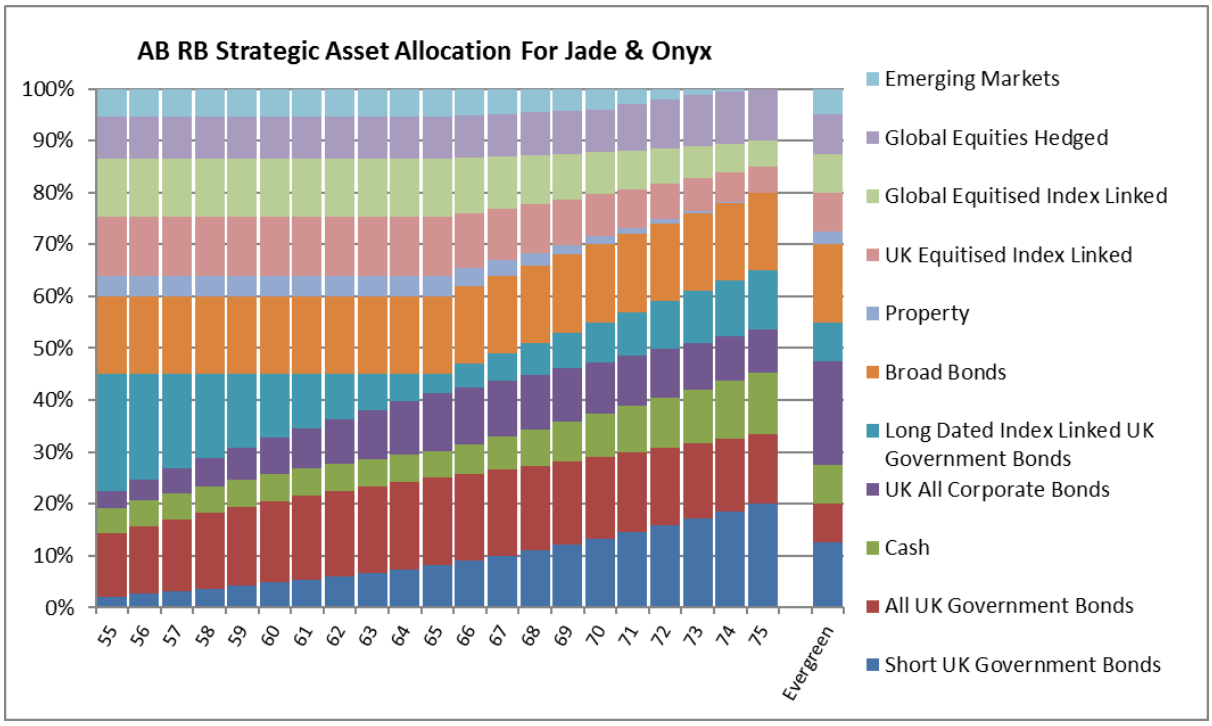
Evergreen Income Fund

For the Evergreen Income Fund the Manager will target an annual income in the range of 90-125% of the corresponding "Income Benchmark" (as defined below). Within this target range, the Manager will aim to maximise the potential annual income from the Evergreen Income Fund subject to minimising the chance that the income will fall in any one year.

"Income Benchmark" means the independently verifiable reference rate of income for the Evergreen Income Fund against which the Manager compares the sustainable income rate. In the case of the Evergreen Income Fund an income rate (as determined from time to time by the Manager) that is based on current market yields only.

As at the implementation of the strategy, the Manager has determined the initial Income Benchmark as the yield available on the Bank of America Merrill Lynch 5-10 Year Sterling Corporate index less 0.75%.

The **strategic asset allocation** is shown below. It compares the asset allocation over the glidepath of the Jade (RB) fund to that of the static Onyx (Evergreen) fund:



These funds will be monitored by the Trustee together with the Investment Advisor and where the Trustee considers that a fund should be replaced this will be done. Additional funds may be added and fund benchmarks may be modified should this be considered appropriate.

Part 8: Bluesky Section: Self-Select Funds

The Bluesky section of the Scheme has the following self-select funds available:

Asset Class	Sub Asset Class	A/P	Fund Name	Suggested Benchmark
Equity	Global	Passive	Bluesky Global Equity Passive	FTSE World Index
Equity	Global Ethical	Passive	Bluesky Ethical Fund	FTSE4Good Index
Equity	Global	Active	Bluesky Global Equity Active	FTSE World Index
Equity	UK	Active	Bluesky UK Equity Active	FTSE All Share Index
Equity	Emerging Market	Active	Bluesky Emerging Markets	FTSE Emerging Index
Equity	UK Small Cap	Active	Bluesky UK Small Cap	FTSE Small Cap Index
Property	UK Property	Active	Bluesky Property	FTSE EPRA/NAREIT Developed
Shariah	Global Equity	Active	Bluesky Shariah Fund	DJ Global Islamic Titans
Bonds	UK Corp	Active	Bluesky Bond Funds	3 Month LIBOR
Bonds	Cash	Active	Bluesky Cash Fund	7 Day LIBOR

These funds will be monitored by the Trustee together with the Investment Advisors and where the Trustee consider that an underlying fund should be replaced, this will be done. Additional funds may be added and fund benchmarks may be modified should this be considered appropriate.

Mobius Life ESG Statement

Mobius Life, who run the platform that holds both the Bluesky Self-Select funds, as well as the Target Date Funds have also provided us with their ESG statement, which is copied out below.

Mobius Life is committed to helping Trustees meet their fiduciary duties in regards to tackling Environmental, Social, and Corporate Governance (ESG) issues. New requirements set out by The Pensions Regulator have helped to bring stewardship centre stage for the entire industry. We have a long-standing policy of holding managers to account for their actions and they must attest annually to meet our minimum requirements in regards to good governance.

We are now engaging with managers on a more frequent basis to help Trustees satisfy some of the more detailed and challenging aspects of the new regulation. It is this information that will allow Trustees to contextualise the approaches of asset managers and to understand to a greater extent how their money is being invested in relation to their own ethics. This includes understanding voting patterns on the companies owned and detailing outcomes from engagement.

We acknowledge that we must continue to do more and we remain at the forefront of product development in areas such as impact investing, clean energy and social outcomes.

The Crystal Trustee Company Limited – Stewardship and Voting Policy

The Pensions Regulator (TPR) defines stewardship as 'the responsible allocation and management of capital across the institutional investment community, to create sustainable value for beneficiaries, the economy and society.

Objective

The objective of this policy is to:

- Ensure investment managers and platform providers are aligned with the Trustee's Beliefs on E, S and G (Environmental, Social and Governance) factors, including Climate factors
- Detail the Trustee's approach on voting by highlighting themes under E, S and G the Trustee considers to be most meaningful, and
- Ensure appropriate consideration is given to these themes by investment managers and platform providers when voting on shareholder resolutions at Annual General Meetings (AGMs), and regular reporting is provided
- The below underlying themes will be used to define what the Trustee deems to be significant in relation to voting.

Voting priorities

The Trustee expects the investment platform provider and investment managers will have Members' financial interests as their first priority when choosing investments.

Along with this, the Trustee have highlighted the use of themes and priorities to better identify what the Trustee considers important and to use this to identify the most meaningful votes. The Trustee have set the most important themes for Crystal under Environmental and Social as:

- Climate Change (including biodiversity)
- Equality, Diversity and Inclusion
- Human rights – (including modern slavery and minimum wage)

The Trustee expect their managers to vote in such a way that will result in improved outcomes and practices which fall under the above themes, such as voting in favour of board level and company wide workforce equality, diversity and inclusion resolutions, improvements in disclosures around gender pay gaps and in favour of setting net zero carbon targets or improving disclosures around carbon metrics etc.

Monitoring and management of Votes

The Trustee understands it has ultimate responsibility for ensuring effective governance of stewardship and voting of underlying investments and accepts that engagement with the companies in which Crystal invests, including the proactive use of shareholder voting rights, can improve the longer-term returns for Crystal's investments.

The Trustee have implemented this belief through engaging with fund managers and platform providers and set requirements to provide quarterly reporting on votes which fall under the above themes. The Trustee will share their themes with the managers and expect them to identify significant votes based on those most relevant to the themes. In particular the Trustee expects their manager to highlight those votes which may not align with the Trustee's beliefs. With the help of its Investment Consultant and Investment Analyst, the Trustee will review these votes to confirm alignment with their Beliefs. Where misalignments appear under these themes or between investment managers voting the Trustee will seek to engage specifically on these cases and expect clear explanations where they have voted against or where there are instances of no votes being cast to understand the rationale behind the decision.

The Trustee are mindful of there being occasions when voting that appears to be against the Trustee's general Beliefs may be the correct decision in specific circumstances, but would expect clear rationale in these cases.

Stewardship Beyond Voting

The Trustee recognise that voting is not the only form of stewardship and that often engagement is more effective than voting. There are many ways the Trustee engage with issuers to produce better outcomes and ensure these remain effective:

- Selecting Investment Managers whose principles are aligned with the Trustee, the stewardship rights of the investments can be effectively utilised without incurring the higher costs of active fees, and therefore any voting and engagement by them with underlying companies are expected to be in line with the Trustee's beliefs and principles on Climate and ESG.
- Monitoring the investment managers on a quarterly basis and aim to meet with managers on at least an annual basis where investment managers are challenged both directly by the Trustee and by their investment advisers on the impact of any significant issues, including, where appropriate, ESG and climate issues that may affect the prospects for return from the portfolio.
- Asking key service providers and partners to provide their carbon emissions information and ensure this is in line with Crystal's targets as stated in the Beliefs and Targets document.
- The Trustee also avoids conflicts of interest, both with engagement and other parties with an interest in companies they invest in, by deferring the direct engagement to the investment managers, including any and all dealing with relevant persons.
- With the help of their Investment Consultant and Investment Analyst, the Trustee reviews the investment managers regularly, however, the majority of investments are made passively thus circumventing risks of conflicts of interest. While many responsibilities are deferred, they are considered when the Trustee and their Investment Consultant review the manager to ensure they remain appropriate.

Governance of Stewardship and Voting

Governance body	Climate-related responsibilities
Evolve Governance Team	The Evolve Governance Team is responsible for the co-ordination and dissemination of stewardship and voting information and best practice across the Committees and the Trustee as a whole.
Investment Committee	The Investment Committee (IC) is responsible for Crystal's investment principles and strategy, on behalf of the Trustee. The IC maintains an overview of Environmental, Social & Governance (ESG), Climate and Stewardship and Voting beliefs and policies to ensure this remains updated and is thoroughly implemented by all stakeholders.

Ongoing Review

This policy will be reviewed at least annually, unless changes in legislation require a more urgent review, or process changes dictate that the policy should be updated.

Review Record

This document is reviewed on behalf of the Trustee at least annually. The following table records changes to this document:

Document Change/Revision Record

Revision Date	Version	Stage	Comments	Reviewer	Approval Date
Oct 15	V1	Creation	Initial Draft	Trustee	Oct 15
Jul 16	V2	Review	Formalized Self Selects	Trustee	Jul 16
Sep 17	V3	Review	ESG Policy, Lifestyle Strategy	Trustee	27 Sep 2017
Feb 18	V4	Review	Update accumulation funds, Update TDF glidepath	Trustee	15 Feb 2018
Oct 18	V5	Revision	Updated Lifestyle Profile	Trustee	4 Oct 18
Feb 19	V6	Review	Formatting Change	Trustee	26 Feb 19
July 19	V7	Revision	Update default section, add ESG and Stewardship statement	Trustee	31 July 19
Jan 20	V8	Revision	Addition of Active TDFs, change to CRS, Inclusion of Bluesky Portions and some reordering	Trustee	14 Jan 20
Sep 20	V9	Revision	Cash fund added to self-select range, arrangements with AMs added, Active Fund details updated, ESG Lifestyle details added.	Trustee	30 Sep 20
June 21	V10	Revision	Inclusion of Opal Decumulation Default, Inclusion of Alternative Lifestyle, Update of Decumulation flow chart, changed ESG Lifestyle to present tense.	Trustee	25 June 2021
July 21	V11	Revision	Change of primary default. Renamed Active Equity Fund to Active Dynamic Diversified Growth	Trustee	13 September 2021
April 22	V12	Revision	Removal of M&G Legacy, Update of investment options tables and graphs, inclusion of climate related beliefs and investment beliefs	Trustee	24 May 2022
June 22	V13	Revision	Inclusion of wording on risk of the Alternative Default – Customised TDFs	Trustee	9 June 2022
July 22	V14	Revision	Opal fund now live, and clarifications of language	Evolve	6 July 2022
Oct 22	V15	Revision	Ex-Super trust Section updated to reflect change in default.	Evolve	4 October 2022

Revision Date	Version	Stage	Comments	Reviewer	Approval Date
Feb 23	V16	Revision	Inclusion of member guide and clarification of Language	Evolve	20 February 2023
March 23	V17	Revision	Stewardship and Voting policy added	Trustee	3 May 2023

This document has been reviewed on behalf of the Trustee at least annually, most recently on:

3 May 2023

The Crystal Trust

Statement of Investment Principles

Statement of Investment Principles

The Statement of Investment Principles (SIP) is a document the Trustee is legally required to produce which sets out the rules and beliefs by which the Trustee manages Crystal.

Who manages Crystal?

The Crystal Trustee (the Trustee) is a group whose role is to look after the assets of Crystal in the best interest of the Members. They have ultimate responsibility in choosing providers to help them invest these funds. For investment related decisions and in the creation of this SIP they are supported by their Investment Consultants, Dean Wetton Advisory (DWA). More information about the division of roles and responsibilities can be found here.

What are the investments?

The Trustee, with the help of their Investment Consultant, have designed the Crystal Lifestyle to be the primary default of Crystal. This strategy is designed to be suitable for most members, seeking higher returns by taking on higher risk for young members, and reducing the risk as members get older to help protect their assets. The strategy is built using funds provided by Legal & General Investment Management. To learn more about the main default fund, the Crystal Lifestyle, click here.

The Trustee also offers an alternative default provided by AllianceBernstein. This is a Target Date Fund, where a member invests in a single fund dated to their expected retirement age and then the fund automatically adjusts its risk and return levels as the member approaches retirement. To learn more about the Target Date Funds click here.

For members who do not wish to invest in one of the default funds, a range of self-select funds have been made available for members to choose between. More information can be found here.

For members who have reached retirement age a decumulation range has been made available. The default of the decumulation range is the Opal fund, which replicates the late stages of the Crystal Lifestyle. Members may then select from one of four decumulation strategies depending on how they wish to access their funds. More information can be found here.

What factors does the Trustee consider in investment?

The overall objective of Crystal is to facilitate the investment requirements of the members. Crystal is divided into an accumulation section and a drawdown section. The Trustee's core beliefs and targets in relation to investments, climate, and Environmental, Social and Governance (ESG) factors have also been incorporated into one document, which can be found online. The Trustee will use this to ensure the alignment of their beliefs with Investment Managers and on matters relating to stewardship and voting. A summary of ESG and material non-financial beliefs can be found here.

What risks does my pension face?

The Trustee recognises a number of risks involved in the investment of assets of Crystal. These risks and how they are managed are detailed further here.

Table of Contents

Introduction

This document constitutes the Statement of Investment Principles ('the SIP') required under Section 35 of the Pensions Act 1995 for **The Crystal Trust** ('the Scheme'). It describes the investment policy being pursued by the Trustee of the Scheme and is in accordance with the Government's voluntary code of conduct for Institutional Investment in the UK ("the Myners Principles"). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005.

The Scheme has only Money Purchase (Defined Contribution) members. There is no element of defined benefit in the scheme and therefore many issues that normally arise are simplified, and there is no requirement for a Scheme Actuary. The Investment Adviser is Dean Wetton Advisory Limited (collectively termed 'the Advisers').

The Trustee confirms, before preparing this SIP, they have consulted and have obtained and considered written advice from the Investment Adviser. The Trustee believes the Advisers to be qualified by their ability and practical experience of financial matters and to have appropriate knowledge of the investment arrangements that the Scheme requires.

The Trustee is responsible for the investment of the Scheme's assets and arranges administration of the Scheme. Where they are required to make an investment decision, the Trustee will receive advice from the relevant Advisers first and they believe that this should ensure that they are appropriately familiar with the issues concerned.

In accordance with the Financial Services & Markets Act 2000 ('FSMA'), the Trustee set general investment policy, but have delegated the day-to-day investment of the Scheme's assets to professional Investment Managers. The Investment Managers are authorised under the FSMA and have the expertise necessary to manage the investments of the Scheme.

At any time, the Trustee may be reviewing investment strategy and choose to implement a revised strategy prior to updating the SIP. This SIP reflects the current position at the time of writing. It will be updated to reflect any changes in strategy as soon as is practical.

Declaration

The Trustee confirms this Statement of Investment Principles reflects the Investment Strategy it has implemented and/or intends to implement for the Scheme. The Trustee acknowledges it is their responsibility, with guidance from the relevant Advisers, to ensure the assets of the Scheme are invested in accordance with these Principles.

Part 1: Investment Principles

Scheme Governance

The Trustee is responsible for the governance and investment of the Scheme's assets. The Trustee considers the governance structure set out in this SIP is appropriate for the Scheme as it allows the Trustee to make the important decisions on investment policy, while delegating the day-to-day aspects to the Investment Managers or the relevant Advisers as appropriate.

The responsibilities of each of the parties involved in the Scheme's governance are detailed in a later section.

The Trustee had appointed an Investment Committee who had been given decision making powers to handle the day to day running of the Scheme and make changes to investment related matters where deemed appropriate. The Trustee Committees were disbanded upon triggering wind up of Crystal on 28 July 2023. The Trustee has agreed that all duties of the Committees will continue to be met by the full Trustee to ensure all functions noted in the Business Plan and Systems and Processes questionnaire are still carried out. The Trustee will not lose any oversight concerning urgent matters and will still undertake their customary Trustee duties.

The Trustee regularly monitors the Scheme's assets to ensure they are primarily invested in regulated investments and where unregulated investments are used these are kept to a prudent level.

The Trustee will review the allocations of the funds on at least an annual basis; however, they may make ad hoc changes as they see fit.

Investment Objectives

The overall objective of the Scheme is to facilitate the investment requirements of the members. The Scheme is divided into an accumulation section and a drawdown section.

Trustee's Overall Beliefs and Targets

The Trustee's core beliefs and targets in relation to investments, climate, and Environmental, Social and Governance (ESG) factors have been incorporated into one document, which can be found online. The Trustee will use this to ensure the alignment of their beliefs with Investment Managers and on matters relating to stewardship and voting.

Accumulation

Prior to retirement, there is a default "**do it for me approach**" fund in order to reduce the risk of members inadvertently making poor choices, however this is no longer available post-retirement.

The primary Scheme default strategy is a lifestyle built using Legal & General Investment Management (LGIM) Passive Funds. The strategy targets inflation + 3.5% for younger members in the Growth fund, and Inflation + 1% for members 68

or older in the Protection fund.

Previously the primary default was a series of Target Date Funds (TDFs), which Alliance Bernstein manages (AB). The Trustee has set a quantitative objective for this, which is CPI plus 4%, de-risking to

CPI +1.0% at the point of expected retirement. This is a measurable objective the Trustee can use to monitor the ongoing performance of the Scheme's investments to ensure the overall objective is met.

Certain subsections of the Scheme have other default options. These are individually detailed in later parts of the SIP.

There are also a number of "**self-select**" alternative lifestyles with varying features, costs and target return levels which provide meaningful member choice. These are set out in the table below.

Drawdown

This section aims to provide post-retirement drawdown options, which are provided in the form of a limited range of governed funds known as "**self-select funds**". The objective of the self-select funds is to provide a limited range of diversified coherent multi-asset strategies for members where each fund is appropriate depending on the members' requirements. The differences are attributable to how members are likely to draw their funds down over time. The governed funds are assigned benchmarks to match their risk exposure.

Fund Names: Accumulation

Strategy	Target above inflation*	Risk
Cash Fund	0%	Cash
Protection	1%	Passive
Crystal Lifestyle (Default)	3%	Passive
Growth	3.5%	Passive
Dynamic CRS TDF	4%	Passive, Active Asset Allocation
Active TDF	5%	Active Stock Selection, Active Asset Allocation
Active Dynamic Diversified Growth	In excess of 5%	Active Stock Selection, Active Asset Allocation

***** the target should only be considered aspirational and is not guaranteed

Fund Names: Decumulation

Fund	Allows ad hoc drawdowns	Allows member led drawdowns monthly	Pays consistent percentage each month	Considers risk relative to annuities
Opal (Default)	No	No	No	No
Aqua	Yes	Yes	No	Yes
Jade	Yes	No	Yes	Yes

Ruby	Yes	No	No	Yes
Onyx	Yes	No	Yes	No
Cash	Yes	No	No	No

Accumulation Default Option

A default option is offered to those still in the accumulation phase. Having considered advice from the Investment Adviser and having due regard for the objectives, the default option has been set as a "do it for me approach for members".

The Crystal Lifestyle has been selected as the primary default for the Scheme. This lifestyle transitions between a Growth fund, a Core fund and finally, a Protection fund providing an appropriate risk level to members as they approach age 68. It invests solely in passive investments and has no Active Asset Allocation.

The AB Customised TDFs were previously the Scheme's Primary default and are still used as a default by many members. In this structure, AB makes the strategic asset allocation according to the time to expected Target Retirement date and overlays a dynamic allocation adjustment to this according to their view of the market. The overall objective is to achieve a return of about CPI+4% de-risking to CPI +1.0% at the point of expected retirement.

The Trustee has taken advice from their Advisers to ensure both strategies are suitable for the Scheme, given its member profile, legal requirements, regulatory guidance and specifications in the Trust Deed.

The majority of the assets are held in asset classes that are sufficiently liquid to be realised easily if the Trustee requires, i.e., the underlying investments are traded regularly on a public exchange or invested via units in a pooled fund with frequent dealing dates.

Accumulation: Self-Select Options

As shown in the table above, various self-select options have been made available to members in accumulation. The purpose of the range is to provide meaningfully distinct funds with different return targets and risk levels such that members in accumulation can select a risk level appropriate to them.

Decumulation: Default

The Trustee has implemented a decumulation default which has been named Crystal Opal. The purpose of the decumulation default will be a lower cost, risk controlled, static fund suitable for members who have not made any choice or responded to any engagement about how they want to access their pot. Members may then engage to move to a fund that better targets their retirement outcomes when they so desire. The Opal fund will replicate the investment design of the Protection fund.

Decumulation: Self-Select Options (Member Selected Options)

The idea of these self-select options is members can decide the nature of their drawdown, at which point the appropriate corresponding investment strategy is provided for them. There is no direct choice on the investments.

Having considered advice from the Investment Adviser, the members have access to a "do it for me approach". In addition to the Opal default the Trustee has made available a range of self-select funds. The objective of the self-select funds is to allow members to choose from a range of age appropriate funds with differing income profiles depending on the member's requirements. These funds will only be made available to members over 55 years old, as the self-select range is drawdown only. The default fund is also considered in this range as it may well be selected by members who prefer its income characteristics.

The **Crystal Trust Decumulation Fund Range** has been developed using diversified portfolios but varying how income is drawn down to meet members' needs. It further offers four varieties of drawdown:

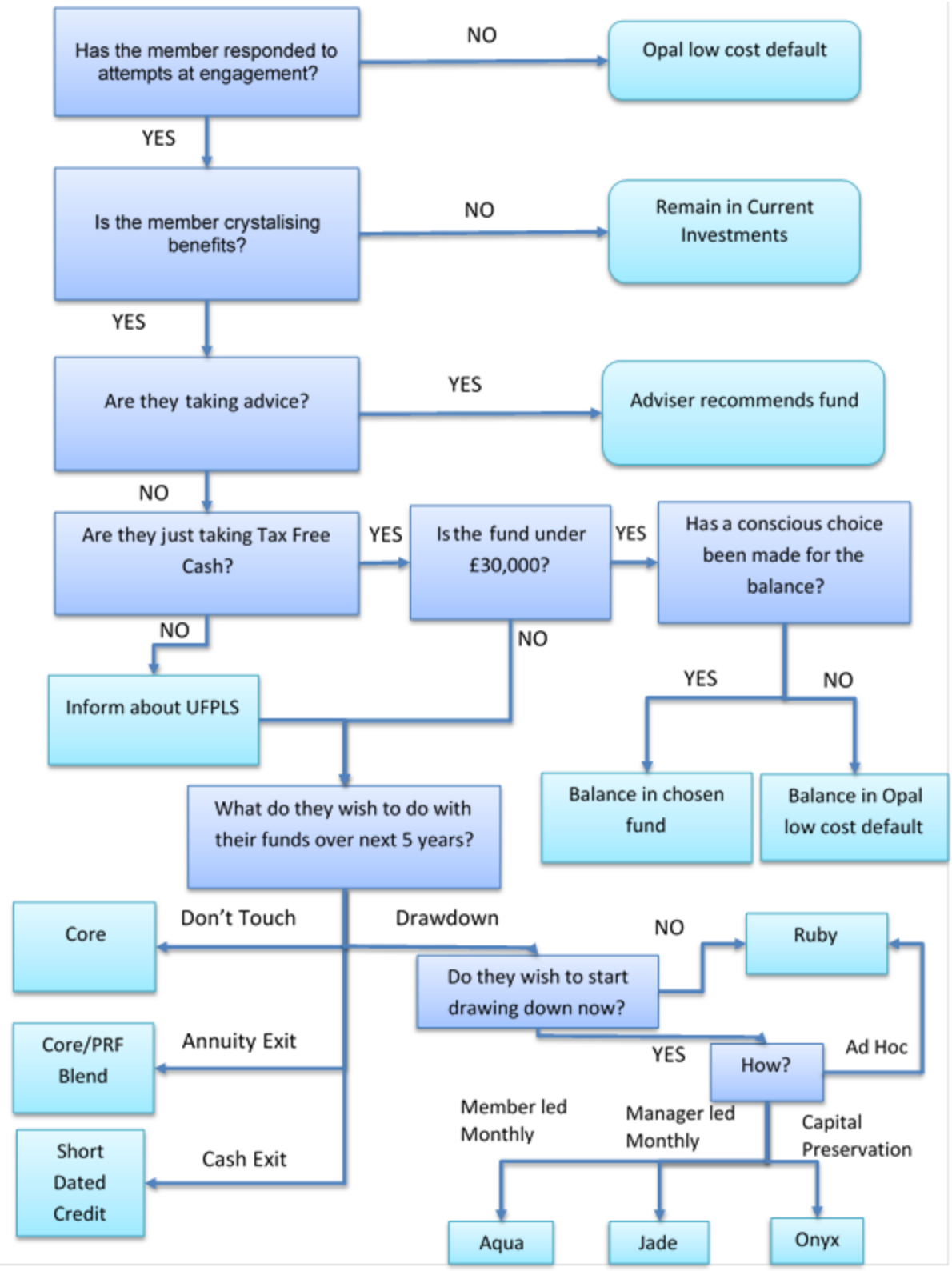
> **Opal (Default) –** This is a lower cost, risk controlled static fund that is suitable for members that have not made any choice or responded to any engagement about how they want to access their pot. Members may engage to move to a fund that better targets their retirement outcomes when they so desire. The Opal fund has a static asset allocation which replicates the investment design of the Protection fund.
>
> **Ruby** – using diversified funds (AB TDFs) and allowing ad hoc drawings.
>
> **Aqua**– using diversified funds (AB TDFs) and allowing user-defined monthly drawings.
>
> **Jade** – using diversified funds (AB Retirement Bridge (RB) Strategy *) with monthly income set to be similar to an annuity.
>
> **Onyx** – using diversified funds (AB RB Evergreen strategy *) but paying a "sustainable" income level while preserving capital.

A cash fund is also made available to decumulation members.

** Note: AB RB Strategy is a target date strategy specifically designed to develop over time as the member ages and pays out an income and a sustainable portion of capital.*

The "Evergreen" strategy is a single strategy appropriate for a range of ages and pays out a sustainable income level while aiming to preserve capital.

The flow chart below can be used to help guide a member to their preferred option.



The Trustee has taken advice from their Advisers to ensure these strategies are suitable for the Scheme, given its member profile, legal requirements, regulatory guidance and specifications in the Trust Deed.

The majority of the assets are held in asset classes that are sufficiently liquid to be realised easily if the Trustee requires, i.e., the underlying investments are traded regularly on a public exchange or invested via units in a pooled fund with frequent dealing dates.

Manager Selection

As part of the exercise of appointing and replacing managers to particular mandates, the Trustee will have regard, amongst other things, to the managers' past performance, exhibited levels of competency, soundness of investment philosophy, risk tolerance, robustness of investment processes, and alignment of beliefs surrounding climate risks and opportunities, ESG and Responsible Investment with the Trustees own beliefs, as well as how they have acted in these areas in practice. The appointment and replacement of managers will be undertaken in conjunction with the Investment Adviser.

Investment Manager Agreement

The Trustee has predominantly invested in pooled funds, and as such, there is no formal Investment Management Agreement setting out the scope of the Investment Managers' activities, its charging basis and other relevant matters. In this case, there will likely be a principal manager responsible for the majority of assets. Therefore, the principal Investment Manager has been provided with a copy of this SIP and is required to exercise their powers to give effect to the principles contained herein and in accordance with subsection (2) of Section 36 of the Pensions Act 1995.

Where investments are not held in pooled funds, the assets will be held by a Custodian on behalf of the Scheme. The day to day management of the funds' investments, including the realisation of those investments, is delegated to the external manager/s. This relationship is governed by an Investment Management Agreement (IMA), which covers discretionary investment management.

Monitoring

Investment Managers

The Trustee will monitor the performance of Investment Managers against the agreed performance objectives. An example of current benchmarks for individuals' funds is set out in the section entitled Asset Class Benchmarks in Part 2 of this document.

The Trustee, or the Advisors on behalf of the Trustee, will regularly review the activities of the Investment Managers to satisfy themselves that they continue to carry out their work competently and have the appropriate knowledge and experience to manage the assets of the Scheme.

As part of this review, the Trustee will consider whether or not the Investment Managers:

- Are carrying out their function competently.
- Have been exercising their powers of investment with a view to giving effect to the principles contained in this SIP, so far as is reasonably practical.

If the Trustee is not satisfied with the Investment Managers, they will ask the Investment Managers to take steps to rectify the situation. If the Investment Managers still do not meet the Trustee's requirements, they will take steps to replace them, supported by the Investment Advisor.

Advisers

The Trustee will review the advice given by the Advisers regularly, at least annually.

SIP Review

The Trustee is required to review this SIP on an annual basis or, without undue delay, following any changes to the investment strategy.

Committee and Trustee

Previously there were to be a minimum of four Investment Committee meetings. Following the disbandment of the Investment Committee, the matters of these meetings will now be covered by the Trustee in their meetings. At least one of these will cover the full annual investment review with the inclusion of the default investment manager. If required, there may be additional virtual, face-to-face or by telephone meetings for specific investment matters that cannot wait until the scheduled Trustee meeting.

Fees

1. **Investment Manager**

   The Trustee will ensure the fees paid to the Investment Managers are consistent with levels typically available in the industry and the nature of services provided.

   The Trustee has requested details of the Investment Managers' policies regarding soft commission arrangements. The Investment Managers disclose their fees, commissions and other transaction costs in accordance with the Financial Conduct Authority ('FCA') Disclosure Code.

2. **Advisers**

   Fees paid to Advisers are based either on an agreed retainer or on fixed fees agreed in advance for specifically defined projects.

3. **Custodian**

   There is no Custodian appointed directly by the Trustee, as assets will be held within pooled funds. However, some assets are held by a Custodian through a deed of adherence. The Trustee will ensure custody fees are consistent with levels typically available in the industry.

Risks

The Trustee recognises a number of risks involved in the investment of assets of the Scheme. Below is a list of these risks, but it is important to note this list is not exhaustive and that a full Risk Register is maintained and monitored regularly by the Trustee:

i. The risk of failing to meet the objectives as set out in this document – the Trustee will regularly monitor the investments to mitigate this risk.

ii. Risk of lack of diversification of investments – addressed through the asset allocation policy.

iii. Risk of holding assets that cannot be easily sold should the need arise – addressed through the use of pooled funds.

iv. Underperformance risk – performance of funds will be compared to others in the industry on a regular basis and may lead to changing managers should it be unsatisfactory.

v. Country/political risk – the risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.

vi. Organisational risk – addressed through regular monitoring of the Investment Manager and the Advisers

vii. Liquidity risk – investing in assets that are generally realisable at short notice.

viii. Environmental Risk – The risk that the investments will do unjustifiable damage to the environment, addressed through engagement with managers and TCFD reporting.

The Trustee will keep all risks under regular review.

Environmental, Social and Corporate Governance (ESG)

The Trustee believes ESG has the potential to add value when integrated into the investment process for long term investors. Specifically, they believe it helps control risk. They are aware the additional resources required to make ESG investments will come at a cost but believe the benefits are likely to be greater than the costs. The Trustee needs to be aware of regulatory factors which could materially affect the risks involved. The extent of ESG should be limited to where there is a case for improving investment outcomes for members.

The Trustee has begun reporting in line with the Taskforce for Climate Related Disclosures (TCFD) in order to understand better the climate-related risks and opportunities affecting the investments and to, in turn, better manage them.

The Trustee's core beliefs and targets in relation to investments, climate, and ESG factors have been incorporated into one document, which can be found online. The Trustee will use this to ensure the alignment of their beliefs with Investment Managers and on matters relating to stewardship and voting.

Other Financially Material Considerations

The Trustee does not consciously let any other financially material consideration affect their decision making ahead of improving the financial outcome of members.

Stewardship

The Trustee ensures Investment Managers and platform providers are aligned with the Trustee beliefs on ESG by initially selecting Investment Managers whose principles are aligned with Crystal's own beliefs and policies. The Trustee then engages with their Investment Managers, AB and LGIM, to ensure their viewpoints around climate and ESG remain in line with those of the Trustee and voting rights are continued to be effectively used.

The Trustee believes that engagement with companies in which the Trust invests, including the proactive use of shareholder voting rights, can improve the long-term return on the Crystal's investments. The Trustee has developed a Stewardship and Voting policy which provides further information on the Trustee approach to engagement and voting and can be found in appendix A.

The Trustee expects the platform provider and fund managers will have the members' financial interests as their first priority. Where performance is deemed unsuitable, the Trustee will engage the Investment Adviser to work with the Trustee and the Investment Manager to determine a resolution process on the continued suitability of the investments.

As the Trustee invests in pooled funds, they do not directly select issuers for investment or give stock level guidance to their investment managers. This also extends to engagement whereby the Trustee does not directly engage with, nor do they give guidance to their investment managers to engage with, specific issuers for investment. Therefore, the Trustee defers many responsibilities by selecting investment managers with principles aligned with their own. These responsibilities include, but are not limited to, monitoring of capital structure, risks including transition and physical risks and ESG matters of the companies they invest in, as well as the monitoring and management of turnover and associated costs of the portfolio. This includes, but is not limited to, monitoring of capital structure, risks and ESG matters of the companies they invest in and also includes the monitoring and management of turnover and associated costs of the portfolio. The Trustee also avoids conflicts of interest, both with engagement and other parties with an interest in companies they invest in, by deferring the direct engagement to the investment managers, including any and all dealing with relevant persons. With the help of their Investment Adviser, the Trustee reviews the investment managers regularly to ensure they continue to believe they are appropriate for investing members' funds in. The majority of investments are made passively thus circumventing risks of conflicts of interest. While many responsibilities are deferred, they are considered when the Trustee and their Investment Adviser review the manager to ensure they remain appropriate.

Policy for Asset Managers

As the Investment Managers make the day to day decisions of running the portfolio, it is important they are properly incentivised to act in the interests of the membership. This is achieved in a number of ways. Managers are paid based on a percentage of assets under management (AUM), this incentivises an alignment of interests by encouraging long term performance. In addition, no contract with investment managers is under a fixed term and managers can be replaced if at any point the Trustee and their Investment Advisor believes they are not acting in members' best interests. The Trustee reviews performance at least quarterly and in more detail at least annually, although they take a longer term view, often of at least 3 years. The default investment managers are made aware of the Trustee's beliefs to ensure that they are accurately reflected. The Trustee has reviewed the investment managers' beliefs to ensure they are in line with their own. Investment performance is monitored at least quarterly and reviewed at least annually. Both Default Investment Managers have a strong policy of engagement and are generally long term investors, the Trustee is comfortable that the time frame the investment managers consider is suitable for DC saving.

Division of Responsibilities

Trustee

The Trustee of the Scheme is responsible for, amongst other things:

i. Determining the Scheme's investment objectives and reviewing these annually and in more detail triennially.

ii. Agreeing an investment strategy designed to meet the investment objectives of the Scheme.

iii. Reviewing the content of this SIP and modifying it if deemed appropriate, in consultation with the Advisers, at least annually.

iv. Reviewing the suitability of the investment policy following the results of each investment review, in consultation with the Advisers.

v. Assessing the quality of the Investment Managers' performance and process through regular reviews of the investment results and other information, by way of meetings and written reports, in consultation with the Advisers.

vi. Appointing and dismissing investment manager(s), the performance measurer, Custodian(s) and transition manager(s) in consultation with the Advisers.

vii. Assessing the ongoing effectiveness of the Advisers on an ongoing basis with a full review every three years.

viii. Monitoring compliance of the investment arrangements with this SIP on an ongoing basis.

Investment Manager

The Investment Manager will be responsible for, amongst other things:

i. At their discretion, but within any guidelines given by the Trustee, implementing changes in the asset mix and selecting and undertaking transactions in specific investments within each asset class.

ii. Providing the Trustee with sufficient information each quarter to facilitate the review of its activities, including:

- A report of the strategy followed during the quarter.
- The rationale behind past and future strategy.
- A full valuation of the assets and a performance summary.
- A transactions report and cash reconciliation.
- Corporate actions taken by the Investment Manager.
- Any changes to the process applied to the portfolio.
- Future intentions in the investment management of the Scheme's assets.
- Stewardship and Voting Behaviour
- Carbon and Climate metrics as required for TCFD reporting.

iii. Informing the Trustee immediately of:

- Any breach of this SIP that has come to their attention.
- Any serious breach of internal operating procedures.
- Any material change in the knowledge and experience of those involved in managing the Scheme's investments.
- Any breach of investment restrictions agreed between the Trustee and the Investment Managers.

Investment Adviser

The Investment Adviser will be responsible for, amongst other things:

i. Participating with the Trustee in reviews of this SIP.

ii. Advising the Trustee how any changes within the Scheme's membership may affect the manner in which the assets should be invested.

iii. Advising the Trustee of any changes in the Scheme's Investment Managers that could affect the interests of the Scheme.

iv. Providing industry data for comparison purposes with the funds currently held.

v. Undertaking reviews of the Scheme's investment arrangements including reviews of the asset allocation policy and current Investment Managers, and selection of new managers/custodians/performance measurers, as appropriate.

vi. Assisting the Trustee in fulfilling their regulatory reporting requirements, including collecting and collating data from the Investment Managers.

Part 2: Primary Default – Crystal Lifestyle Strategy

LGIM Funds

The Trustee has considered a Lifestyle Strategy for employers who wish to have a lower cost strategy. LGIM is a global leader in passive investment and has offered a preferential rate for Crystal. The strategy offers risk reduction over a members' investment journey until the age of 68 when a member becomes fully invested in the Protection fund.

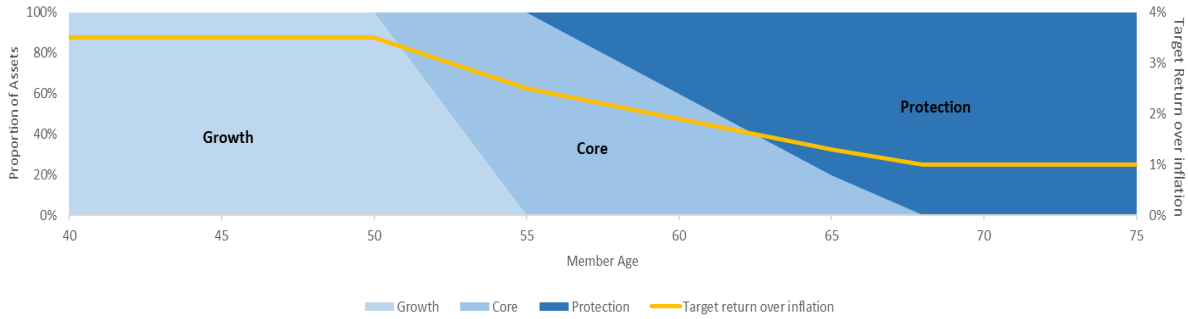
This strategy is used as a default for a number of subsections of the Scheme, and by Trustee agreement for some employers within the Bluesky section of Crystal.

As a reflection of the Trustee's commitment to better ESG, a number of underlying funds are now included that have a specific ESG tilt within them. The funds have been redesigned such that the risk and expected return levels of the funds should be approximately the same.

The core strategy is invested 56% in equities, 11% in alternatives and 33% in bonds It exhibits around two-thirds of the risk of an equity-only portfolio while targeting around 80% of equity returns.

Strategy	Target Return	Target Risk Level
Growth	Inflation + 3.5%	95% of Equity Risk
Core	Inflation + 2.5%	2/3rds of equity risk
Protection	Inflation + 1%	1/3rd of equity risk
Global Equity (benchmark)	Inflation + 3.75%	

The glidepath below shows the fund allocation as a member ages.



There is also the option of only using a single fund and this can be provided according to preference.

The philosophy underlying each of the strategies is based on a core holding in Global Equities and Corporate Bonds with a small exposure to long-dated gilts and index-linked gilts. It includes a small diversifying allocation to REITS, Infrastructure, Private Equity and emerging market debt. Long-dated gilts have also been introduced as diversifiers. Long-dated gilts have a higher sensitivity to interest rate (and inflation for index-linked gilts) than normal gilts, ensuring maximum exposure to the asset class for a smaller allocation.

The tables below sets out further details on the strategies:

Previous Lifestyle

Asset Class / Fund name	Growth	Core	Protection
Equity	**82%**	**53%**	**15%**
Global Equity - *DB - World Equity Index*	82%	53%	15%
Diversifiers	**13%**	**14%**	**16%**
REITS - *MD - Global Real Estate Equity Ind*	3%	4%	5%
Infrastructure - *MB - Global Infrastructure Equity Index*	2%	3%	3%
Private Equity - *MC - Global Listed Private Equity Passive Fund*	3%	2%	1%
EM local currency government bond - *XPAB - EM Passive Local Currency Government Bond*	2%	2%	3%
EM hedged debt - *XPAC - EM Passive USD Gov Bond*	3%	3%	4%
Bonds	**5%**	**30%**	**32%**
Corporate Bonds - *EB - Investment Grade Corporate Bond All Stocks Index*	5%	20%	27%
Index Linked - *Y - All Stocks Index-Linked Gilts*	0%	10%	5%
Cash	**0%**	**3%**	**37%**

New Crystal Lifestyle

Asset Class / Fund name	Growth	Core	Protection
Equity	**89%**	**56%**	**15%**
Global Equity - *DB - World Equity Index*	42%	34%	0%
Future World All World - *GPGE*	32%	13%	15%
Future World UK Equity - *UPAK*	15%	9%	0%
Diversifiers	**8%**	**11%**	**15%**
REITS - *MD - Global Real Estate Equity Ind*	2%	3%	5%
Infrastructure - *MB - Global Infrastructure Equity Index*	1%	2%	3%
Private Equity - *MC - Global Listed Private Equity Passive Fund*	2%	1%	0%
EM local currency government bond - *XPAB - EM Passive Local Currency Government Bond*	1%	2%	3%
EM hedged debt - *XPAC - EM Passive USD Gov Bond*	2%	3%	4%
Bonds	**3%**	**33%**	**65%**
Corporate Bonds - *EB - Investment Grade Corporate Bond All Stocks Index*	0%	5%	10%
Future World Corporate Bonds - *CCAT*	0%	18%	18%
Long Gilts - *AF - Over 15y Gilts Index*	3%	0%	0%
Index Linked - *Y - All Stocks Index-Linked Gilts*	0%	10%	5%
Short Gilts - *BS - 0 to 5 Year Gilts Index*	0%	0%	32%
Cash	**0%**	**0%**	**5%**

The composition of the strategies can be changed at the Trustee's discretion. Changes are likely to be strategic in nature rather than dynamic.

Material Financial Considerations for Lifestyle

The Future World Funds contain an enhanced ESG element by tracking LGIM designed ESG indices with a tilting mechanism that reduces exposure to companies associated with poor ESG practices and increases exposure to those with better practices. Each company in the index is given an ESG score which assessed them on a wide range of ESG factors. The relative score affects how much the index tilts towards or away from them. However, there are caps on how much each stock and sector can be tilted. This increases the overall ESG of the index without significantly altering the overall risk profile.

As the standard LGIM investments are all passive, there is currently no ESG tilt at an investment decision making level. However, LGIM are active users of their voting rights and as such passive investments will benefit from their active holdings. They have also shown a commitment to ESG issues through their Climate Impact Pledge, whereby they intend to use their rights as major shareholders to engage with 84 of the world's largest companies. They are also analysing, scoring and ranking them against their peers in terms of climate impact in order to incentivise them to improve their strategies and try and achieve a better ranking. LGIM makes public the names of some of the best and worst performers to further create incentive.

LGIM's ESG Statement

Being one of the world's largest asset managers with a long history of corporate engagement on the most material long-term issues, LGIM has the scale and ability to make a real, positive impact on the companies in which we invest and on society as a whole. We share this objective – made far more attainable by ongoing improvements in ESG data – with a growing number of clients. We believe that responsible investing cannot be just a box-ticking exercise. So from the votes cast by our Investment Stewardship team to the investment processes deployed in our funds, we continue to take steps to embed the principles of responsible investing across our entire business – and act on them.

We believe well-governed companies that manage all stakeholders, including the environment and society, are more likely to deliver sustainable long-term returns. We view the consideration of ESG issues as part of risk management and therefore, part of our fiduciary duty. We recognise that companies are intrinsically linked to the economies and societies in which they operate, and we, therefore, believe investors have a responsibility to the market as a whole. Our ultimate goal is to protect and enhance the investment returns for the benefit of our clients' assets.

We do this through:

- Company engagement
- Using our voting rights globally
- Integrating environmental, social and governance factors into portfolio management
- Addressing systemic risks and opportunities
- Influencing governments, regulators and policymakers
- Collaborating with other investors and stakeholders

We believe real change is achieved by being an engaged and active owner. Our knowledge and judgment are valuable to our clients when exercising their voting rights. We strive for influence at companies by pooling all our clients' assets, giving us a more powerful position.

LGIM votes in all major developed markets and the main emerging markets, covering approximately 98% of the FTSE All-World Index constituents by market capitalisation. Much of the voting activity is combined with direct engagement with companies' boards to ensure they understand LGIM's concerns and to encourage improvements to their structure and/or policy. In addition to engaging directly with investee companies, we engage collaboratively with other investors in order to positively influence companies and promote market best practice. We believe building and maintaining relationships with the companies in which we invest allows us to better understand and respond to their concerns. In addition, better communication enables companies to get a sense of whether investors feel that the company is performing well and/or operating efficiently.

We are active proponents of the benefits of the global stewardship codes in improving the quality of stewardship and ownership across the markets in which we invest. LGIM has been a signatory to the UN PRI since September 2010. We endorse, and annually report on our commitment to the six responsible investment principles, including the integration of ESG issues into investment practices. In 2019, the UN PRI awarded LGIM an A+ score for our strategy and governance, the top rating in its evaluation of our responsible investment practices.

Part 3: Alternative Default - Customised Target Date Funds

Manager Selection: Crystal and Bluesky Legacy Default

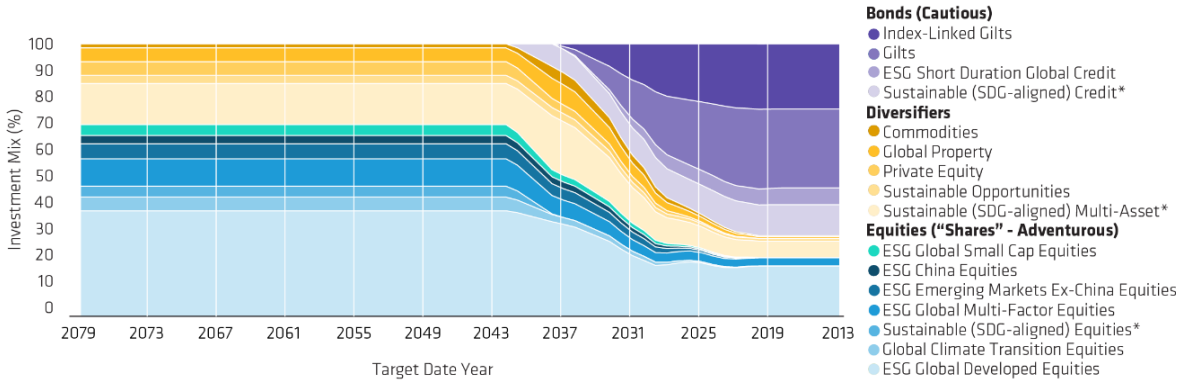
The Trustee has decided to use a series of Target Date funds managed by AB, but customised to the specific membership of the Scheme. It is anticipated a majority of members will use the Target Date funds.

There follows a description of the Target Date structure:

The strategy is set up in a particularly appealing way for DC members, making it a "one-fund for life" arrangement. The asset allocation is automatically adjusted based on a glide path to retirement for the member. The fund structure is a target date fund, where a member invests in an individual fund that is slated for their expected retirement age. The fund automatically adjusts asset allocation over time to de-risk the portfolio nearer to retirement and invest more in safer fixed income products providing cash flow and liquidity. Each member invests in a fund targeting their expected retirement age, and the asset allocation and de-risking of the portfolio is done for them by AB.

The Strategic Asset Allocation follows a clear de-risking strategy in the approach to expected retirement and beyond and includes a wide opportunity set of assets. This is overlaid with a Dynamic Asset Allocation process, in which the manager's current views on market risk and return are used to amend the asset allocations with the objective to reduce short term risk for members without damaging long-term returns. The current strategic risk allocation is shown below. On 7 June 2022 the Trustee approved a slight adjustment to the risk budget which delays derisking and increases risk and therefore return closer to retirement. This change was suggested by AB following a detailed member analysis and recommended by DWA which was first approved by the Trustee's Investment Committee before being ratified by the Trustee at its meeting on 7 June 2022. These changes were implemented over Q3 2022.

Strategic Asset Allocation Illustration



*SDGs are the United Nations Sustainable Development Goals. To be aligned, AB invests in companies with products and services that contribute to positive social and environmental outcomes.

The fund also has an oversight committee, aptly named the Investment Design and Oversight Committee (IDOC). They act almost in a trustee role for all clients in the fund. They provide oversight and accountability for all AB DC clients, while vetting and documenting all new investment designs.

Material Financial Considerations for Target Date Funds

The investment manager has provided the Trustee with the extent to which they consider ESG within the offering. The response is included below.

AB ESG Statement

The default investment arrangement is managed by AB. In managing these investments, AB must consider and address certain environmental, social and governance (ESG) issues. AB has long recognised that ESG issues can impact the performance of investments, and is committed to addressing these issues thoughtfully, responsibly and in a manner best aligned with the views of its clients. Consistent with Trustee requirements and, as clarified by the Law Commission, this must be balanced with consideration to investment outcomes and the cost to members of the Scheme.

Integrating ESG Considerations into Investment Processes

AB's primary approach to managing ESG factors is through "integration" - this is the bottom-up integration of ESG factor considerations into all its research and investment processes. It is their belief that integration is important for identifying financially material investment risks as well as opportunities. This long-held belief led to AB becoming a signatory to the UN Principles for Responsible Investment (PRI) on 1 November 2011.

Active Ownership of Assets

Where AB holds assets directly, they act on identified ESG issues in a two-pronged approach to active asset ownership. They directly engage with equity and bond issuers as part of their research process to address ESG factors and seek to instil better practices in target companies; and they make use of the voting rights attached to particular investments. These votes are made in line with their proxy voting policy, which incorporates ESG factors and they believe reflects the best long-term economic interests of their clients.

Considering ESG when Allocating to Third-Party Investment Managers

The TDFs primarily utilise a selection of underlying third-party investment managers' funds to gain access to a broad range of investments. As these underlying funds are predominantly passively managed and systematic approaches, the incorporation of active ESG consideration when making an investment and taking ownership is limited. Furthermore, as these funds and their investments are not managed by AB, the ability to incorporate their approach to ESG factors is also somewhat limited.

To address this, when selecting and appointing third-party investment managers, AB thoroughly reviews shortlisted managers' responsible investment policies, credentials and track records to ensure that any appointed manager is as closely aligned to the polices of AB as possible. To monitor appointed managers, AB performs regular ongoing due diligence on appointed managers to review policies and monitor changes to ensure that the appointment remains in the best interests of its clients.

Rewarding Better ESG and Climate-Related Practices

In 2018, AB began implementing a positive ESG 'tilt' directly within the multi-factor equities allocation. While the implementation of this tilt has changed over time, the multi-factor allocation is today managed by a third-party investment manager. It uses a passive investment approach to gain simple exposure to multiple factors, while also applying controversial business activity screens and a tilt that improves the overall ESG score of the strategy subject to a tracking error budget. While serving to provide expected capital growth consistent with strategy objectives, the allocation effectively enhances the ESG credentials of the entire strategy.

Following analysis of the potentially excessive risk exposure to carbon-based revenue, AB implements a tilt of the strategy away from stocks that are directly and indirectly carbon-centric. This reduction is achieved with the use of a low carbon index strategy. AB believes that the market may be underpricing the risk associated with high-intensity carbon companies and have chosen to implement the carbon intensity reduction slowly through time to avoid the high risk of tactically timing what is a long-term market structural change.

Excluding Investment in Controversial Weapons

Where the investments are managed by third party investment managers, there may not be an explicit exclusion of investments in companies associated with the production/distribution of controversial weapons. This is typically because of the passively managed (i.e., index following) approaches of these appointments. AB has collated information of particular investment exclusions such as this and will continue to monitor this going forward through its ongoing due diligence and manager selection processes. Currently, Amundi is the only underlying third party investment manager to explicitly apply controversial weapon exclusions.

Overview Framework for ESG Integration

Below is a framework that summarises AB's ESG integration in the strategies managed for the Scheme. The percentages shown broadly represent AB's asset allocation (excluding government bonds) as at 31 December 2021.

		Approximate Allocation Affected (%)		
		20 Years to Target Date	**10 Years to Target Date**	**1 Years to Target Date**
Active Consideration and Ownership/Engagement	**Active ESG Consideration**	100%	100%	100%
	AB Comment	*As the manager of the overall strategy, AB actively considers ESG factors in an integrated basis across the strategy.*		
	Active Investment with Active Ownership/Engagement	24.5%	33.9%	38.1%
	AB Comment	*The actively managed allocations make inherent use of ownership rights and engagement to unlock additional value.*		
	Passive Investment with Systematic Ownership/Engagement	72.9%	63.2%	61.9%
	AB Comment	*All underlying passive managers make use of active ownership and engagement for the securities that they hold where significant opportunities arise to protect and enhance investment value.*		
ESG Standards	**Underlying managers UNPRI signatories**	100%	100%	100%
	AB Comment	*All of the underlying managers used within the strategy are signatories of the UNPRI.*		
Explicit ESG Issues	**Exclusion of Controversial Weapons**	94.4%	95.1%	100.0%
	AB Comment	*AB has taken a hard-line view to remove all exposure to corporates involved in the business of controversial weapons.*		
	Exclusion of Other Activities	87.8%	89.0%	100.0%
	AB Comment	*In line with AB's views on the ESG risks associated with certain controversial business activities, we have extended exclusions to thermal coal, tobacco and civilian firearms across the strategy. We also tilt away from other controversial activities (via exclusions in selected allocations), these include: alcohol, gambling, adult entertainment, nuclear weapons, and nuclear power.*		
	Climate Change Focus	87.8%	89.0%	100.0%
	AB Comment	*There are a number of features that seek to reduce carbon risks. There is a climate transition allocation which seeks to reduce investment in companies that are directly or indirectly carbon centric. There are also thermal coal exclusions applied to directly reduce carbon-rich exposures. Indirectly, a positive ESG tilt (which improves ESG quality) in the multi-factor, China and EM ex China equity allocations reduce carbon exposure.*		

Source: AB. Allocations are that of the Crystal Retirement Strategy as at 31 December 2021, excluding government bonds.

Source: AB. Allocations are that of the AB Retirement Strategies as at 31 December 2021, excluding government bonds.

Part 4: - Active Target Date Funds

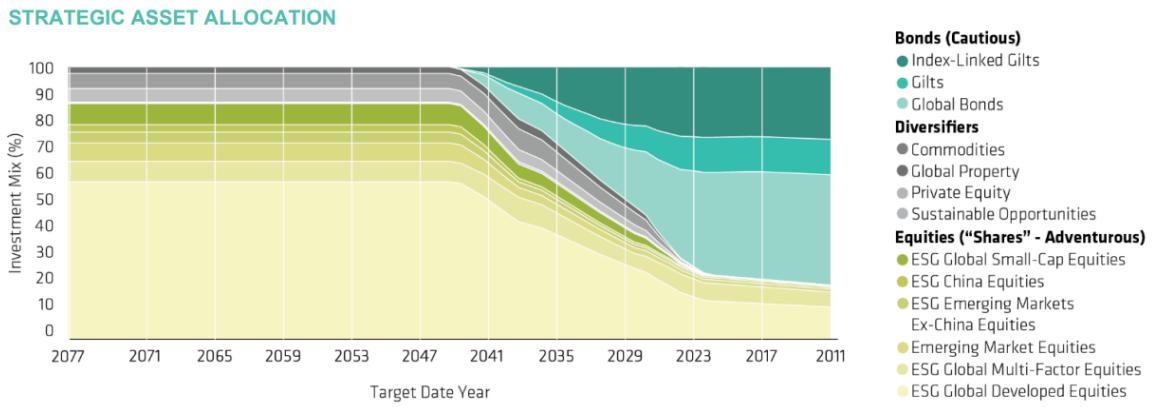
This investment option was previously a Scheme section default but is now a self select option. The Trustee has decided to use an additional series of Target Date funds, managed by AB, compared to the Primary Default these have a larger active stock selection element, this moves further away from the market weighted approach of passive funds and allows the investment manager greater discretion in the securities invested in.

There follows a description of the Target Date structure:

Like the Customised TDFs the strategy is set up in a "one-fund for life" arrangement, where the asset allocation is adjusted based on a glide path to retirement automatically for the member. The fund structure is a target date fund, where a member invests in an individual fund that is slated for their expected retirement age and the fund automatically adjusts asset allocation over time to de-risk the portfolio nearer to retirement and invest more in safer fixed income products providing cash flow and liquidity. Each member invests in a fund in or around their expected retirement age, and the asset allocation and de-risking of the portfolio is done for them by AB. The key difference between this and the default strategy is the active stock selection element, which allows the manager greater discretion in the stocks invested in with the aim of outperforming the benchmark.

The Strategic Asset Allocation follows a clear de-risking strategy in the approach to expected retirement and beyond and includes a wide opportunity set of assets. This is overlaid with a Dynamic Asset Allocation process, in which the manager's current views on market risk and return are used to amend the asset allocations with the objective to reduce short term risk for members without damaging long-term returns.

Strategic Asset Allocation Illustration



Source: AB—Active Retirement Strategies
As at 31st December 2021

The fund also has an oversight committee, aptly named the Investment Design and Oversight Committee (IDOC). They act almost in a trustee role for all clients in the fund. They provide oversight and accountability for all AB DC clients, while vetting and documenting all new investment designs.

Material Financial Considerations for Active Target Date Funds

The investment manager's ESG position is available in the Default section above, as the provider is the same. As there are some differences in the underlying funds there are some differences in the percentage allocations. The table for the Active TDFs is shown below.

		Approximate Allocation Affected (%)		
		20 Years to Target Date	**10 Years to Target Date**	**1 Years to Target Date**
Active Consideration and Ownership/Engagement	**Active ESG Consideration**	100%	100%	100%
	AB Comment	*As the manager of the overall strategy, AB actively considers ESG factors in an integrated basis across the strategy.*		
	Active Investment with Active Ownership/Engagement	39.5%	50.6%	71.1%
	AB Comment	*With numerous active underlying components, investment managers make full use of active ownership and engagement. The actively managed private equity allocations make inherent use of ownership rights and engagement to add value.*		
	Passive Investment with Systematic Ownership/Engagement	57.7%	46.0%	28.9%
	AB Comment	*All underlying passive managers make use of active ownership and engagement for the securities that they hold where significant opportunities arise to protect and enhance investment value.*		
ESG Standards	**Underlying managers UNPRI signatories**	100%	100%	100%
	AB Comment	*All of the underlying managers used within the strategy are signatories of the UNPRI*		
Explicit ESG Issues	**Exclusion of Controversial Weapons**	90.1%	85.4%	83.6%
	AB Comment	*To the extent that it is possible, AB has taken a hard-line view to remove all exposure to corporates involved in the business of controversial weapons. In line with this, numerous underlying allocations make exclusions to controversial weapon related activities.*		
	Exclusion of Other Activities	50.6%	39.6%	33.5%
	AB Comment	*In line with AB's views on the ESG risks associated with certain controversial business activities, a number of allocations now include wider exclusions to activities such as alcohol, tobacco, gambling, adult entertainment, firearms, nuclear weapons, controversial weapons, thermal coal and nuclear power.*		
	Climate Change Focus	50.6%	39.6%	33.5%
	AB Comment	*There are a number of features that seek to reduce carbon risks. There are thermal coal exclusions being applied to directly reduce carbon-rich exposures. Indirectly, a positive ESG tilt (which systematically improves ESG quality) in the multi-factor allocation reduces carbon exposure.*		

Source: AB. Allocations are that of the Active Retirement Strategies as at 31st December 2021, excluding government bonds.

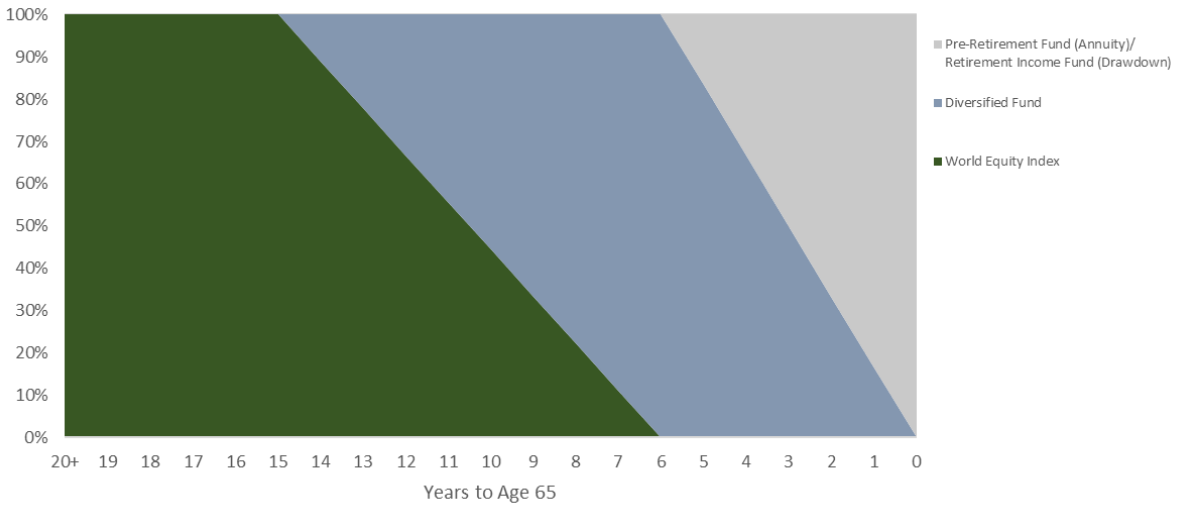
Part 5: Ex-Supertrust Section – Alternative Self-Select Lifestyle Strategies

The Trustee has approved self-select alternative lifestyles for one section of the Scheme. This section replicates the investments members had in their previous scheme. The default of this section was changed on 4 October 2022 to the Crystal Lifestyle Strategy as described in Part 2.

The section has access to two self-select alternative lifestyles, each with a similar glidepath:

- Lifestyle (Annuity)
- Lifestyle (Drawdown)

The strategy glidepath, is shown below. The strategy moves from a 100% World Equity allocation, through a diversified multi asset fund before finally de-risking into either a Pre-Retirement Fund in the case of the Annuity Lifestyle or into a Multi-Asset Retirement Income fund in the case of the Drawdown Lifestyle.



Material Financial Considerations for Section Lifestyle

As the LGIM investments are all passive there is currently no ESG tilt at an investment decision making level. However, LGIM are active users of their voting rights and as such passive investments will benefit from their active holdings. They have also shown a commitment to ESG issues through their Climate Impact Pledge, whereby they intend to use their rights as major shareholders to engage with 84 of the world's largest companies. They are also analysing, scoring and ranking them against their peers in terms of climate impact in order to incentivise them to improve their strategies and try and achieve a better ranking, LGIM makes public the names of some of the best and worst performers to further create incentive.

LGIM's ESG Statement

Being one of the world's largest asset managers with a long history of corporate engagement on the most material long-term issues, LGIM has the scale and ability to make a real, positive impact on the companies in which we invest and on society as a whole. We share this objective – made far more attainable by on-going improvements in ESG data – with a growing number of clients. We believe that responsible investing cannot be just a box-ticking exercise. So, from the votes cast by our Investment

Stewardship team to the investment processes deployed in our funds, we continue to take steps to embed the principles of responsible investing across our entire business – and act on them.

We believe that well-governed companies that manage all stakeholders, including the environment and society, are more likely to deliver sustainable long-term returns. We view the consideration of ESG issues as part of risk management, and therefore part of our fiduciary duty. We recognise that companies are intrinsically linked to the economies and societies in which they operate and we therefore believe that investors have a responsibility to the market as a whole. Our ultimate goal is to protect and enhance the investment returns for the benefit of our clients' assets.

We do this through:

- Company engagement
- Using our voting rights globally
- Integrating environmental, social and governance factors into portfolio management
- Addressing systemic risks and opportunities
- Influencing governments, regulators and policy makers
- Collaborating with other investors and stakeholders

We believe that real change is achieved by being an engaged and active owner. Our knowledge and judgement is a valuable service to our clients when exercising their voting rights. We strive for influence at companies by pooling all our clients' assets, giving us a more powerful position.

LGIM votes in all major developed markets and the main emerging markets, covering approximately 98% of the FTSE All-World Index constituents by market capitalisation. Much of the voting activity is combined with direct engagement with companies' boards to ensure that they understand LGIM's concerns and to encourage improvements to their structure and/or policy. In addition to engaging directly with investee companies, we engage collaboratively with other investors in order to positively influence companies and promote market best practice. We believe that building and maintaining relationships with the companies in which we invest allows us to better understand and respond to their concerns. In addition, better communication enables companies to get a sense of whether investors feel that the company is performing well and/or operating efficiently.

We are active proponents of the benefits of the global stewardship codes in improving the quality of stewardship and ownership across the markets in which we invest. LGIM has been a signatory to the UN PRI since September 2010. We endorse, and annually report on our commitment to the six responsible investment principles, including the integration of ESG issues into investment practices. In 2019, the UN PRI awarded LGIM an A+ score for our strategy and governance, the top rating in its evaluation of our responsible investment practices.

The section only also has access to the following self select funds:

Fund name
LGIM ST Investment Grade Corporate Bond All Stocks Fund
LGIM ST Over 15 Year Gilts Fund
LGIM ST Over 5 Year Index-Linked Gilts Fund
LGIM ST All Stocks Gilts Index Fund
LGIM ST Cash
LGIM ST Global Equity Fixed Weight (50:50) GBP Hedged Fund
LGIM ST Pre-Retirement Fund
LGIM ST Pre-Retirement Inflation Linked Fund
LGIM ST UK Equity Fund
LGIM ST World (Ex UK) Equity Index Fund
LGIM ST World Emerging Market Fund
LGIM ST Diversified Fund
LGIM Dynamic Diversified Fund
LGIM ST Global Real Estate Fund
LGIM Hybrid Property (70:30) Fund
LGIM ST Asia (Ex Japan) Developed Equity Fund
LGIM ST World Equity Index Fund
LGIM Retirement Income Multi-Asset Fund
Crystal Shariah Fund

Part 6: Decumulation Default

The Trustee has made available a default option for decumulation members. The purpose of the decumulation default is to provide a lower cost, risk controlled static fund that is suitable for members that have not made any choice or responded to any engagement about how they want to access their pot. Members may engage to move to a fund that better targets their retirement outcomes when they so desire. The Opal fund replicates the investment design of the Protection fund.

The breakdown of the fund is shown below.

Asset Class / Fund Name	Opal Allocation
Equity	**15%**
Future World All World - GPGE	15%
Diversifiers	**15%**
REITS - MD - Global Real Estate Equity Ind	5%
Infrastructure - MB - Global Infrastructure Equity Index	3%
EM local currency government bond - XPAB - EM Passive Local Currency Government Bond	3%
EM hedged debt - XPAC - EM Passive USD Gov Bond	4%
Bonds	**65%**
Corporate Bonds - EB - Investment Grade Corporate Bond All Stocks Index	10%
Future World Corporate Bonds - CCAT	18%
Index Linked - Y - All Stocks Index-Linked Gilts	5%
Short Gilts - BS - 0 to 5 Year Gilts Index	32%
Cash	**5%**

Part 7: Crystal: Self-Select Funds

Accumulation: Self-Select Funds

The Trustee has implemented the following funds for the Self-select fund range for those still in accumulation:

Strategy	Target above inflation*	Risk	Notes	Manager
Cash	0%	Cash	Not suitable for long term investment. Inflation will erode real value over time.	LGIM
Protection	1%	Passive	Part of existing lifestyle	LGIM Protection
Crystal Lifestyle	3%	Passive	Current default	Low Cost Lifestyle using LGIM
Growth	3.5%	Passive, Active Asset Allocation	Part of existing lifestyle	LGIM Growth
Dynamic CRS TDFs	4%	Passive, Active Asset Allocation	Current default	AB
Active TDFs	5%	Active Stock Selection, Active Asset Allocation	New range	AB + Additional External Managers.
Active Dynamic Diversified Growth	6%	Active Stock Selection, Active Asset Allocation	Forever Young version of Active TDFs above	AB
Shariah	4%	Passive, active Asset Allocation		HSBC

***** the target should only be considered as aspirational and is not guaranteed.
In addition to the above the following strategies will only be made available on request.

	Target above inflation	Risk	Notes	Manager
Ethical	4%	Passive, active Asset Allocation	These funds will only be offered where a client has a particular need, after the initial assessment by Evolve.	LGIM

Decumulation: Self-Select Funds

The Trustee has selected the following strategies for the Self-select fund range:

Opal – This is a lower cost, risk controlled static fund that is suitable for members that have not made any choice or responded to any engagement about how they want to access their pot. Members may engage to move to a fund that better targets their retirement outcomes when they so desire. The Opal fund has a static asset allocation which replicates the investment design of the Protection fund.

Ruby – using diversified funds (AB TDFs) allowing ad hoc drawings by members.

Aqua– using diversified funds (AB TDFs) and allowing user-defined monthly drawings by members.

Jade – using diversified funds (the AB RB strategy) with monthly income set to be similar to an annuity.

Onyx – using diversified funds (AB RB Evergreen strategy) but paying a "sustainable" level of income while preserving capital.

Cash – A cash fund for members who wish to protect the nominal value of their fund over the short term. This is not suitable for long term investment as inflation will erode the real value of investments over time.

The AB TDFs are covered in the alternative default section, it is the same strategy but with different withdrawal by members.

The AB RB and Evergreen strategy are governed by an IMA with AB. The objectives of the strategy are as follows:

For each Age Based Drawdown Fund

The Manager will invest the Age Based Drawdown Funds with the target of providing an annual income in the range of 90-102.5% of the relevant "Income Benchmark" (as defined below) for each Age Based Drawdown Fund. The lower limit of this range shall be increased annually by 0.5% from the year in which the member of the Scheme obtains their 65th birthday such that by the year in which such member reaches their 75th birthday, the range is defined at 95-102.5%. Within this target range, the Manager will aim to maximise the potential annual income from the Age Based Drawdown Fund subject to minimising the chance that the income will fall in any one year.

"Income Benchmark" means, the independently verifiable reference rate of income relevant for the specific Age Based Drawdown Fund against which the Manager compares the sustainable income rate by reference to an age-based benchmark (as determined from time to time by the Manager) that takes account of current market yields and mortality assumptions.

As at the implementation of the strategy, the Manager has determined the initial Income Benchmark is the top market annual income rate as quoted by the Money Advice Service for an annuity with the following parameters:

- A healthy, non-smoker born on 1st July in the year as referenced by the account (reflecting the year of birth of each member in the Scheme) with a Chelmsford (Essex) postcode; and
- A joint-life (50% reversionary pension on death of first life) with partner born on the same date living at same postcode; and

- No guarantee.

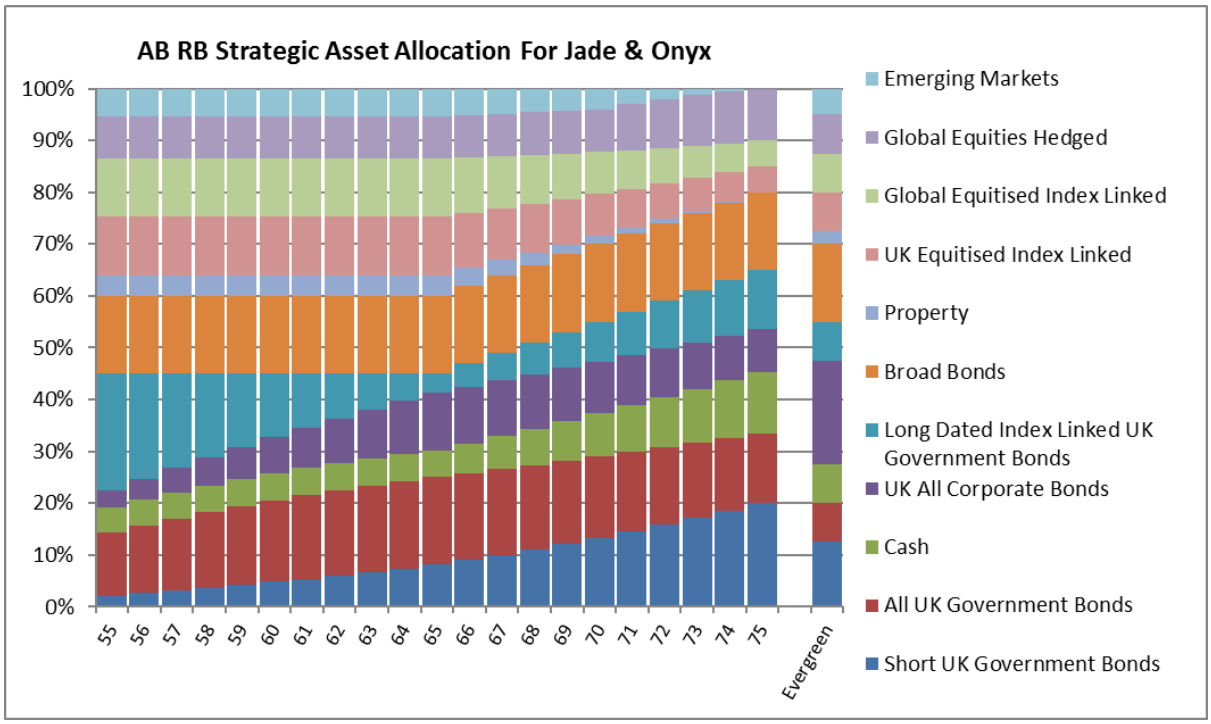
Evergreen Income Fund

For the Evergreen Income Fund the Manager will target an annual income in the range of 90-125% of the corresponding "Income Benchmark" (as defined below). Within this target range, the Manager will aim to maximise the potential annual income from the Evergreen Income Fund subject to minimising the chance that the income will fall in any one year.

"Income Benchmark" means the independently verifiable reference rate of income for the Evergreen Income Fund against which the Manager compares the sustainable income rate. In the case of the Evergreen Income Fund an income rate (as determined from time to time by the Manager) that is based on current market yields only.

As at the implementation of the strategy, the Manager has determined the initial Income Benchmark as the yield available on the Bank of America Merrill Lynch 5-10 Year Sterling Corporate index less 0.75%.

The **strategic asset allocation** is shown below. It compares the asset allocation over the glidepath of the Jade (RB) fund to that of the static Onyx (Evergreen) fund:



These funds will be monitored by the Trustee together with the Investment Advisor and where the Trustee considers that a fund should be replaced this will be done. Additional funds may be added and fund benchmarks may be modified should this be considered appropriate.

Part 8: Bluesky Section: Self-Select Funds

The Bluesky section of the Scheme has the following self-select funds available:

Asset Class	Sub Asset Class	A/P	Fund Name	Suggested Benchmark
Equity	Global	Passive	Bluesky Global Equity Passive	FTSE World Index
Equity	Global Ethical	Passive	Bluesky Ethical Fund	FTSE4Good Index
Equity	Global	Active	Bluesky Global Equity Active	FTSE World Index
Equity	UK	Active	Bluesky UK Equity Active	FTSE All Share Index
Equity	Emerging Market	Active	Bluesky Emerging Markets	FTSE Emerging Index
Equity	UK Small Cap	Active	Bluesky UK Small Cap	FTSE Small Cap Index
Property	UK Property	Active	Bluesky Property	FTSE EPRA/NAREIT Developed
Shariah	Global Equity	Active	Bluesky Shariah Fund	DJ Global Islamic Titans
Bonds	UK Corp	Active	Bluesky Bond Funds	3 Month LIBOR
Bonds	Cash	Active	Bluesky Cash Fund	7 Day LIBOR

These funds will be monitored by the Trustee together with the Investment Advisors and where the Trustee consider that an underlying fund should be replaced, this will be done. Additional funds may be added and fund benchmarks may be modified should this be considered appropriate.

Mobius Life ESG Statement

Mobius Life, who run the platform that holds both the Bluesky Self-Select funds, as well as the Target Date Funds have also provided us with their ESG statement, which is copied out below.

Mobius Life is committed to helping Trustees meet their fiduciary duties in regards to tackling Environmental, Social, and Corporate Governance (ESG) issues. New requirements set out by The Pensions Regulator have helped to bring stewardship centre stage for the entire industry. We have a long-standing policy of holding managers to account for their actions and they must attest annually to meet our minimum requirements in regards to good governance.

We are now engaging with managers on a more frequent basis to help Trustees satisfy some of the more detailed and challenging aspects of the new regulation. It is this information that will allow Trustees to contextualise the approaches of asset managers and to understand to a greater extent how their money is being invested in relation to their own ethics. This includes understanding voting patterns on the companies owned and detailing outcomes from engagement.

We acknowledge that we must continue to do more and we remain at the forefront of product development in areas such as impact investing, clean energy and social outcomes.

The Crystal Trustee Company Limited – Stewardship and Voting Policy

The Pensions Regulator (TPR) defines stewardship as 'the responsible allocation and management of capital across the institutional investment community, to create sustainable value for beneficiaries, the economy and society.

Objective

The objective of this policy is to:

- ensure investment managers and platform providers are aligned with the Trustee's Beliefs on E, S and G (Environmental, Social and Governance) factors, including Climate factors.
- detail the Trustee's approach on voting by highlighting themes under E, S and G the Trustee considers to be most meaningful, and
- ensure appropriate consideration is given to these themes by investment managers and platform providers when voting on shareholder resolutions at Annual General Meetings (AGMs), and regular reporting is provided.
- The below underlying themes will be used to define what the Trustee deems to be significant in relation to voting.

Voting priorities

The Trustee expects the investment platform provider and investment managers will have Members' financial interests as their first priority when choosing investments.

Along with this, the Trustee have highlighted the use of themes and priorities to better identify what the Trustee considers important and to use this to identify the most meaningful votes. The Trustee have set the most important themes for Crystal under Environmental and Social as:

- Climate Change (including biodiversity)
- Equality, Diversity and Inclusion
- Human rights – (including modern slavery and minimum wage)

The Trustee expect their managers to vote in such a way that will result in improved outcomes and practices which fall under the above themes, such as voting in favour of board level and company wide workforce equality, diversity and inclusion resolutions, improvements in disclosures around gender pay gaps and in favour of setting net zero carbon targets or improving disclosures around carbon metrics etc.

Monitoring and management of Votes

The Trustee understands it has ultimate responsibility for ensuring effective governance of stewardship and voting of underlying investments and accepts that engagement with the companies in which Crystal invests, including the proactive use of shareholder voting rights, can improve the longer-term returns for Crystal's investments.

The Trustee have implemented this belief through engaging with fund managers and platform providers and set requirements to provide quarterly reporting on votes which fall under the above themes. The Trustee will share their themes with the managers and expect them to identify significant votes based on those most relevant to the themes. In particular the Trustee expects their manager to highlight those votes which may not align with the Trustee's beliefs. With the help of its Investment Consultant and Investment Analyst, the Trustee will review these votes to confirm alignment with their Beliefs. Where misalignments appear under these themes or between investment managers voting the Trustee will seek to engage specifically on these cases and expect clear explanations where they have voted against or where there are instances of no votes being cast to understand the rationale behind the decision.

The Trustee are mindful of there being occasions when voting that appears to be against the Trustee's general Beliefs may be the correct decision in specific circumstances, but would expect clear rationale in these cases.

Stewardship Beyond Voting

The Trustee recognise that voting is not the only form of stewardship and that often engagement is more effective than voting. There are many ways the Trustee engage with issuers to produce better outcomes and ensure these remain effective:

- Selecting Investment Managers whose principles are aligned with the Trustee, the stewardship rights of the investments can be effectively utilised without incurring the higher costs of active fees, and therefore any voting and engagement by them with underlying companies are expected to be in line with the Trustee's beliefs and principles on Climate and ESG.
- Monitoring the investment managers on a quarterly basis and aim to meet with managers on at least an annual basis where investment managers are challenged both directly by the Trustee and by their investment advisers on the impact of any significant issues, including, where appropriate, ESG and climate issues that may affect the prospects for return from the portfolio.
- Asking key service providers and partners to provide their carbon emissions information and ensure this is in line with Crystal's targets as stated in the Beliefs and Targets document.
- The Trustee also avoids conflicts of interest, both with engagement and other parties with an interest in companies they invest in, by deferring the direct engagement to the investment managers, including any and all dealing with relevant persons.
- With the help of their Investment Consultant and Investment Analyst, the Trustee reviews the investment managers regularly, however, the majority of investments are made passively thus circumventing risks of conflicts of interest. While many responsibilities are deferred, they are considered when the Trustee and their Investment Consultant review the manager to ensure they remain appropriate.

Governance of Stewardship and Voting

Governance body	Climate-related responsibilities
Evolve Governance Team	The Evolve Governance Team is responsible for the co-ordination and dissemination of stewardship and voting information and best practice across the Trustee as a whole.
Investment Committee, now Trustee	The Investment Committee (IC) was responsible for Crystal's investment principles and strategy, on behalf of the Trustee. The IC maintained an overview of Environmental, Social & Governance (ESG), Climate and Stewardship and Voting beliefs and policies to ensure this remained updated and was thoroughly implemented by all stakeholders. During the wind up period, the Trustee will be responsible for all of these matters.

Ongoing Review

This policy will be reviewed at least annually, unless changes in legislation require a more urgent review, or process changes dictate that the policy should be updated.

Review Record

This document is reviewed on behalf of the Trustee at least annually. The following table records changes to this document:

Document Change/Revision Record

Revision Date	Version	Stage	Comments	Reviewer	Approval Date
Oct 15	V1	Creation	Initial Draft	Trustee	Oct 15
Jul 16	V2	Review	Formalized Self Selects	Trustee	Jul 16
Sep 17	V3	Review	ESG Policy, Lifestyle Strategy	Trustee	27 Sep 2017
Feb 18	V4	Review	Update accumulation funds, Update TDF glidepath	Trustee	15 Feb 2018
Oct 18	V5	Revision	Updated Lifestyle Profile	Trustee	4 Oct 18
Feb 19	V6	Review	Formatting Change	Trustee	26 Feb 19
July 19	V7	Revision	Update default section, add ESG and Stewardship statement	Trustee	31 July 19
Jan 20	V8	Revision	Addition of Active TDFs, change to CRS, Inclusion of Bluesky Portions and some reordering	Trustee	14 Jan 20
Sep 20	V9	Revision	Cash fund added to self-select range, arrangements with AMs added, Active Fund details updated, ESG Lifestyle details added.	Trustee	30 Sep 20
June 21	V10	Revision	Inclusion of Opal Decumulation Default, Inclusion of Alternative Lifestyle, Update of Decumulation flow chart, changed ESG Lifestyle to present tense.	Trustee	25 June 2021
July 21	V11	Revision	Change of primary default. Renamed Active Equity Fund to Active Dynamic Diversified Growth	Trustee	13 September 2021
April 22	V12	Revision	Removal of M&G Legacy, Update of investment options tables and graphs, inclusion of climate related beliefs and investment beliefs	Trustee	24 May 2022

Revision Date	Version	Stage	Comments	Reviewer	Approval Date
June 22	V13	Revision	Inclusion of wording on risk of the Alternative Default – Customised TDFs	Trustee	9 June 2022
July 22	V14	Revision	Opal fund now live, and clarifications of language	Evolve	6 July 2022
Oct 22	V15	Revision	Ex-Super trust Section updated to reflect change in default.	Evolve	4 October 2022
Feb 23	V16	Revision	Inclusion of member guide and clarification of Language	Evolve	20 February 2023
March 23	V17	Revision	Stewardship and Voting policy added	Trustee	29 March 2023
Sep 23	V18	Revision	Adjustment for Committee structure for Wind up	Trustee	28 September 2023

This document has been reviewed on behalf of the Trustee at least annually, most recently on:

28 September 2023