The Crystal Trust

Statement of Investment Principles

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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.

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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:

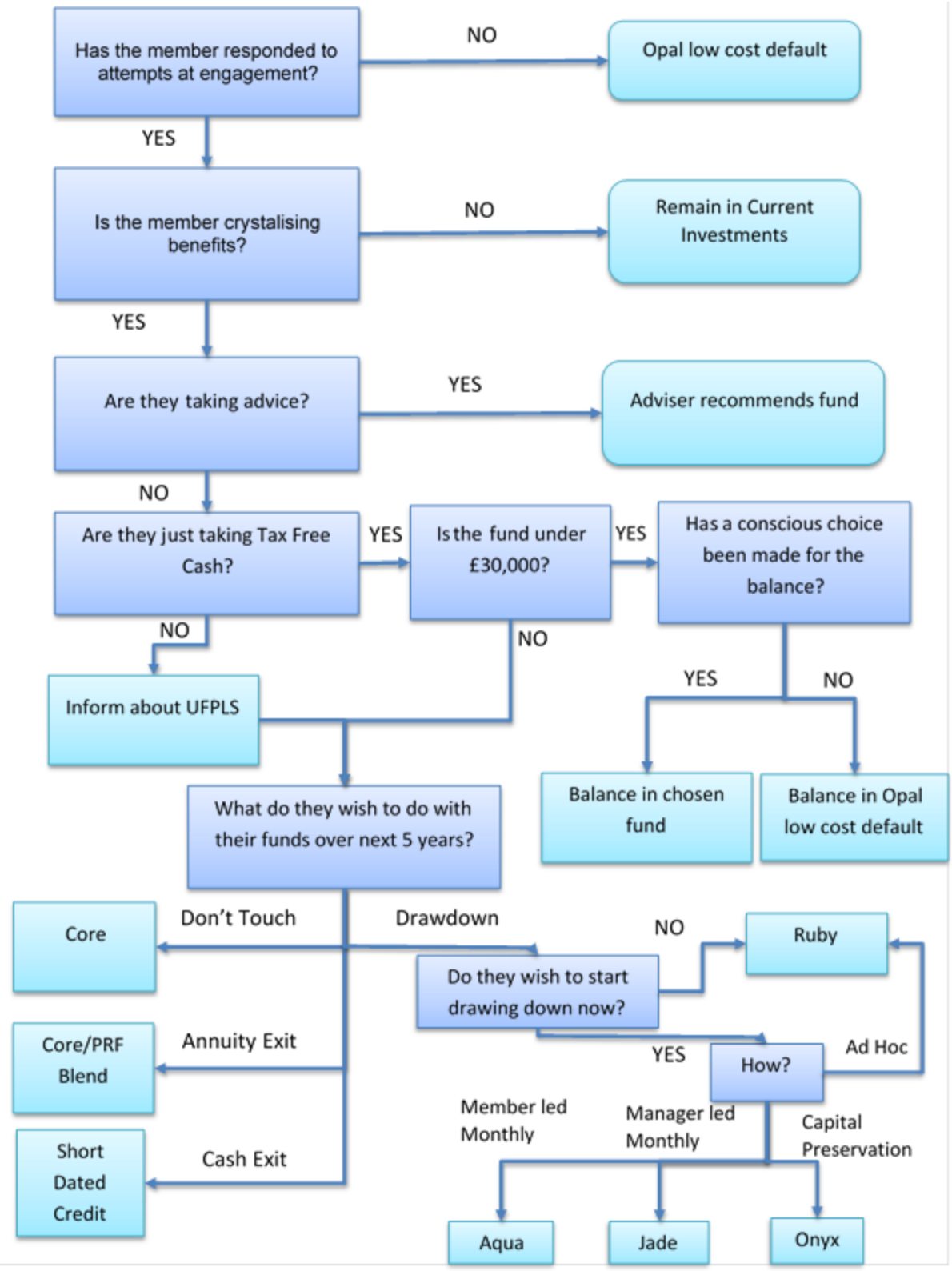
> **Opal (Default) –** This is a lower cost, risk controlled static fund that is suitable for members that have not made any choice or responded to any engagement about how they want to access their pot. Members may engage to move to a fund that better targets their retirement outcomes when they so desire. 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.

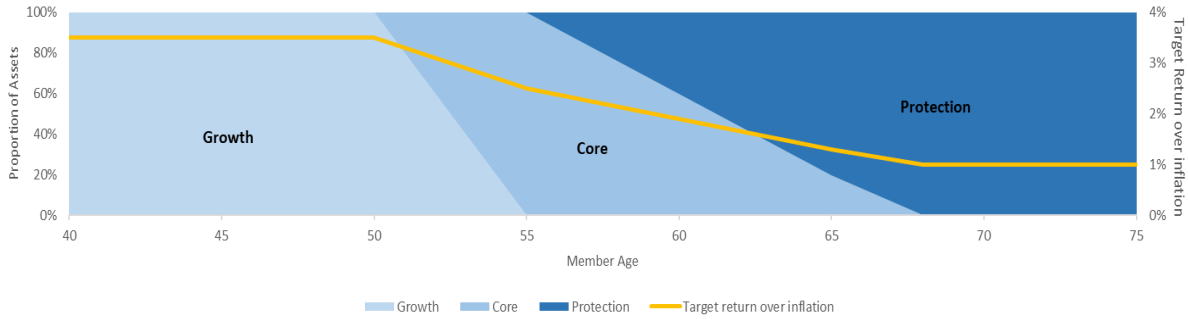
This strategy is used as a default for a number of subsections of the Scheme, and by Trustee agreement for some employers within the Bluesky section of Crystal.

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

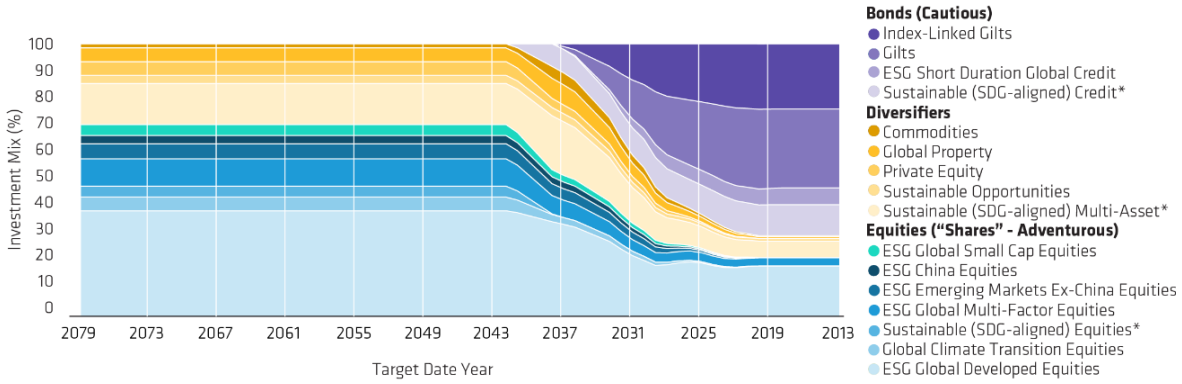
The Trustee has decided to use a series of Target Date funds managed by AB, but customised to the specific membership of the Scheme. It is anticipated a majority of members will use the Target Date funds.

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

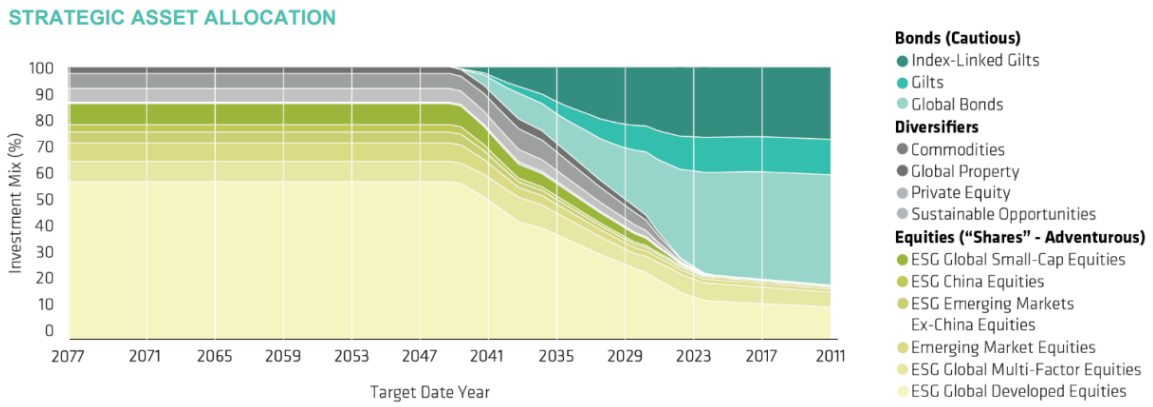
This investment option was previously a Scheme section default but is now a self select option. The Trustee has decided to use an additional series of Target Date funds, managed by AB, compared to the Primary Default these have a larger active stock selection element, this moves further away from the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

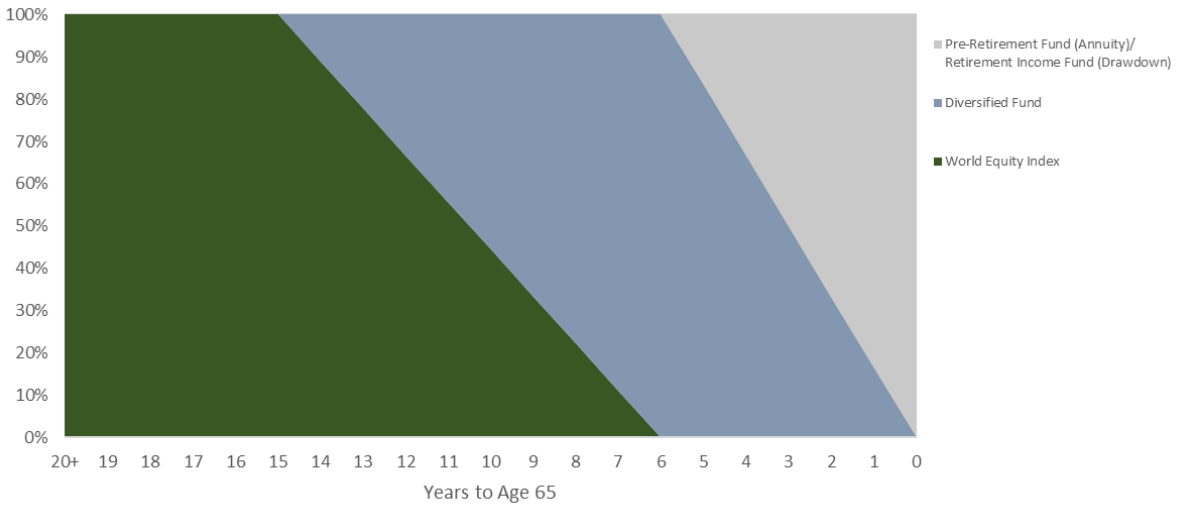
Part 5: Ex-Supertrust Section – Alternative Self-Select Lifestyle Strategies

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.

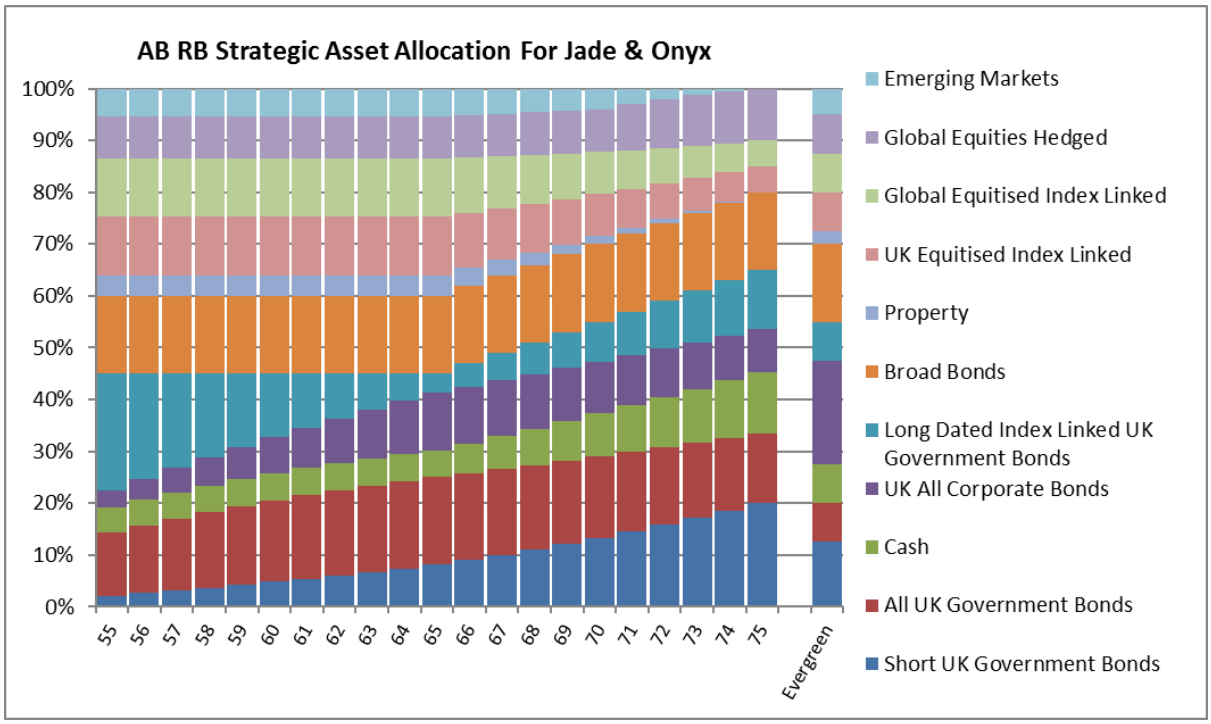
Evergreen Income Fund

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