

Introducing.... the Cushon Sustainable Investment Strategy

The new default strategy for your Cushon workplace pension

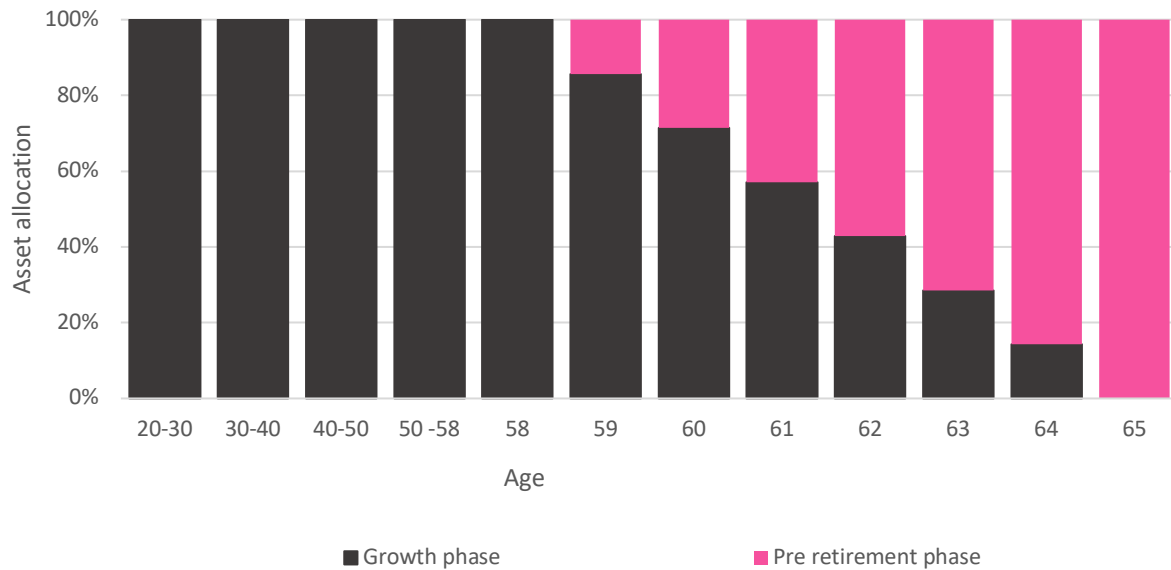
The Cushon Sustainable Investment Strategy has been carefully designed to suit the needs of most workplace pension members. It is where your pensions savings are invested 'by default' if you do not choose your own investments.

When you join a workplace pension scheme, your pension contributions are invested in the default strategy and are managed right through to your target retirement age. You can set your target retirement age through the Cushon App or your online Cushon account; if you don't select a target age it will default to 65.

Default strategies get a lot of care and attention because employers and Trustees have a legal obligation to ensure that the default strategy stays appropriate for the majority of members. The Cushon Master Trust Trustees set the overall investment objectives and decide on the investment mix, after taking professional advice. They design a strategy that's suitable for the membership as a whole and review its performance regularly.

How the Cushon Sustainable Investment Strategy works

The Cushon Sustainable Investment Strategy aims to grow your savings in the early years (this is called the growth phase) and then helps protect them from the risk of short-term investment falls as you approach your target retirement age (this is called the pre-retirement phase). These aims are referred to as the Fund Objectives, see risk warnings below. The chart below shows you how your investments change as you get to within 7 years of your target retirement age, assuming you have chosen to retire at age 65. If you have chosen a different target retirement age, then your investments will start changing from a different age. For instance, if you have chosen a target retirement age of 67, your investments will start to move out of the growth phase and into the pre-retirement phase from age 60 which is 7 years before your 67th birthday.

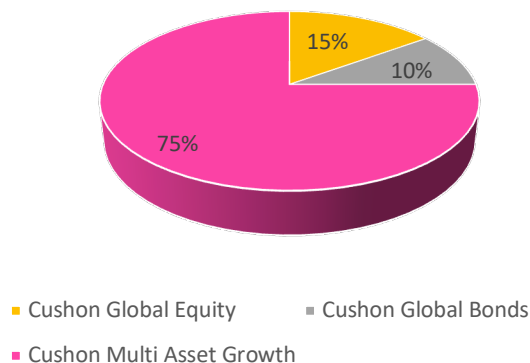


Growth phase

In the early years of the default strategy, members are invested in a well-diversified mix of global equities, private markets and bonds, designed to provide the average member with long-term growth potential. To keep costs low, the global equity investments are in tracker funds. These investments aim to produce returns broadly in line with the markets they track. The private market and bond investments are held in actively managed funds. These funds aim to outperform markets and inflation.

When making investment decisions, the Trustees take into account how these will impact people, society and the environment as well as potential financial performance. This is called responsible investing and is a core element of the Scheme’s default investment strategy. Investment managers have been selected who support the Trustees’ Policy in this area.

Growth phase fund mix:



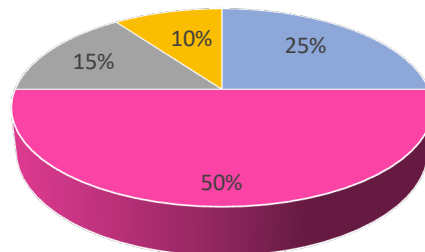
Pre-retirement phase

As members approach their target retirement age, we start moving them gradually into investments generally considered to be lower risk. Global bonds and cash investments are gradually added to the fund mix. This process happens automatically and gradually over a 7-year period until members reach their target retirement age.

At retirement

When members reach their target retirement age, they will still be invested in a well-diversified mix of global equities, private markets, bonds and cash. This is a more cautious asset mix that also aims to provide continued modest growth, so that members can decide how to take their benefits when they are ready.

Retirement phase fund mix:



- Cushon Global Bonds
- Cushon Multi Asset Growth
- Cushon Inflation-Linked Government Bonds
- Cushon Sterling Cash

Cushon Multi Asset Growth

The Cushon Sustainable Investment Strategy is delivered through a number of funds. The Cushon Multi Asset Growth fund is held by a member right through until your selected retirement age. It invests in global equities and private markets investments.

The Trustees have appointed a specialist private markets asset manager to actively manage investments into high impact projects including private equity, sustainable infrastructure, social housing and natural capital. Investing in private markets has more risk than investing in companies listed on a recognised stock exchange or on other regulated markets.

While private markets offer long term growth potential and the opportunity to make positive impact to society, the underlying investments in these companies may be:

- in less established companies, which may be subject to greater business and financial uncertainties.

- difficult to sell quickly, which may affect the value of the investments and the ability to pay benefits when requested.
- less frequently traded and more difficult to value than listed companies.

Private market investments are illiquid long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g., listed companies). The investment in private markets has a 3-year period where no withdrawals are able to be made. This period gives the investment manager the time to build up a diversified allocation to private market investments.

Under certain circumstances the Cushon Multi Asset Growth fund may be subject to suspension of trading, limits on the amounts and timing of payments to members.

Risk Warnings

There is no guarantee that the Cushon Sustainable Investment Strategy (the default strategy) will meet its Fund Objectives. The value of investments can fall as well as rise and is not guaranteed. The final value of a Scheme member's pension when they come to take benefits may be less than has been paid in.

A member's choice of pension investments can have a big effect on their pension benefits. If a member is in any doubt about which fund is right for them, they should speak to a financial adviser.