



Trustees of the SCHEME NAME
Mr Sample
1 Sample St
Anytown
AA1 BB2

9927/UKT-CS/000001

Scheme name: SCHEME NAME

Scheme number: 0000000

Plan type: Crest Secure Plan

Dear Sir/Madam

Value for money review – Action required

We wrote to you in December 2015 to remind you about your trustee responsibilities and told you that we were carrying out a value for money review of our workplace pensions.

We've now assessed your Crest Secure Plan and having considered the contract charges and benefits, we believe that it currently delivers value for money to the members, so we're not proposing to make changes. Please see our reasons for this below.

How Crest Secure delivers value for money

- It provides guaranteed returns for the members through declared growth rates.
- Although this is a low risk fund, the growth rates declared have consistently been higher than inflation, so they're delivering real returns to the members.
- Members are not charged extra if they stop contributing.
- There are no exit charges for members accessing their pensions on retirement. However, there may be an exit charge if an individual transfers out of the Crest Secure Plan while still in service, if the trustees decide to move the whole plan to another pension product, or if the trustees decide to wind up the scheme.

Please refer to the scheme summary we enclosed with the letter we sent to you in December 2015 for details about the specific charges applying to your Crest Secure Plan.

How Crest Secure works

The Crest Secure fund is similar to a with profits fund but with a lower exposure to the stock market. The fund invests in a range of different asset types including fixed interest stocks, equities and property. The aim of the investment strategy is to maximise the long term return on investments whilst meeting the fund's guaranteed liabilities.

 **[Team phone no.]**
Mon – Thurs, 9.00am – 6.00pm
Fri – 8.00am – 5.00pm

 **[Team name]**
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Royal London House
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 **employer.royallondon.com/
trusteelabilities**

March 2016

 **Scheme reference**

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Please tell us this number if you contact us.

 **Action required**

- Review the arrangements you have in place for the members,
- Consider whether the Crest Secure Plan offers overall value for money
- Decide on the best course of action.

A growth rate is declared each year and equivalent bonuses are added to the fund's value. The rates declared reflect the actual performance of the underlying assets, after allowance for the expenses incurred and after a smoothing¹ adjustment. The smoothing¹ adjustment means the declared growth rates are more stable than the rate of return on the underlying assets.

¹With smoothing a proportion of the actual investment growth earned during good years is held back and then applied to top up the return in years with poor performance. This should result in a smoothed effect on the increase of the value of the investment, as opposed to fluctuations that would normally occur in the daily price for other stocks or shares.

The declared standard growth rate for each of the last 5 scheme years are set out in the table below.

Declared standard growth rate for scheme year				
2011/12	2012/13	2013/14	2014/15	2015/16
4%	5%	5%	5%	5%*

*Provisional declared standard growth rate

Action required?

1. To ensure that you comply with the Pension Regulators' trustee responsibilities, **you should review the arrangements you have in place for the members, consider whether the Crest Secure Plan offers overall value for money and decide on the best course of action.** The individual accounts within the Crest Secure Plan are only notionally allocated to the members, so it's for the trustees to determine whether the returns offer value for money as part of the trust arrangement(s).

We've provided the following information to help you with your value for money review:

- A scheme summary – this was enclosed in our December 2015 letter and includes the charges, remuneration and default investment.
 - Details of our value for money review.
2. We've provided a sample copy of this letter to your financial adviser, if you have one. You may want to contact them if you've any queries about the Crest Secure Plan or the new trustee responsibilities.

Need more information?

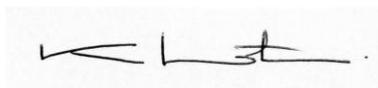
You can find more information on the regulations for trustees at **thepensionsregulator.gov.uk**

Use the TPR's Trustee Toolkit at **trusteetoolkit.thepensionsregulator.gov.uk**

You can also find more information on our website **employer.royallondon.com/trusteeliabilities**

If you have any questions about the new governance requirements call us on [Team phone no.] or email us at [Team email mailbox].

Yours faithfully



Kenny Watson
Head of Customer Experience (EC)