Link Logistics Limited Retirement Benefit Scheme

Annual Governance Statement for the Scheme for the year ended 5 April 2025

Prepared in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) regulations 1996 (the "Regulations")

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1. DEFAULT ARRANGEMENT

1.1. A copy of the latest statement of investment principles prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 is attached.

1.2. A review of the default strategy and the performance of the default fund were undertaken during the Scheme year. The factsheet for the Crest Secure investment strategy is attached.

2. CORE FINANCIAL TRANSACTIONS

2.1. The requirements of regulation 24 of the Regulations have been met and core financial transactions have been processed promptly and accurately. The Trustees are satisfied that Royal London is providing a service that meets these requirements.

3. CHARGES AND TRANSACTION COSTS

3.1. The level of charges and transaction costs applicable to the default fund during the Scheme year are not applicable as there are no direct expense allowances. Expenses are taken from the backing assets and will affect the declared bonus rates.

3.2. The policy of insurance holds only the Crest Secure investment and all costs are implicit in the declared smoothed return in line with Royal London's Principles and Practices of Financial Management (PPFM).

The Trustees have considered the extent to which the charges and transaction costs implicit in the Royal London policy of insurance represent a good value for members and have concluded that the Declared Return for 2024/25 of 0.25% represents a suitable value return for a Deposit Administration type contract given the financial climate throughout the period and returns on cash assets.

4. TRUSTEE KNOWLEDGE AND UNDERSTANDING

4.1. The Trustees have considered and assessed their own knowledge, understanding and skills during the scheme year and are satisfied that the combined knowledge and understanding of the Trustees, together with the advice which is available to them from the Scheme Actuary and retained professional advisers, enables them to properly exercise their function as Trustees.

5. MEMBER REPRESENTATION

5.1. The Trustees last sought Member Nominated Trustees in July 2021. As in prior years, there were no replies or expressions of interest. The members are entirely deferred employees. The Trustees continue to encourage members of the Scheme or their representatives to make their views on matters relating to the Scheme known to the Trustees by highlighting this in the annual member statement.

The statement regarding DC governance was approved by the Trustees and signed on their behalf by:

G Savage	28 October 2025
……..	……..
Chair of Trustees	Date

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Investments

Crest Secure

How does it work?

Crest Secure is similar to a with profits fund but with a lower exposure to the stock market. As a result there is no terminal bonus although a regular bonus is added to the account's value from time to time. The directors of Royal London decide on the level of bonus to declare each year. There are 3 different rates of bonus, Declared, Guaranteed and Interim. An explanation of each of these rates follows

Declared – This is the rate of growth that is applied at the end of the policy year.

Guaranteed – This is the minimum rate that will apply in the following year's declaration.

Interim – This is the rate used where there is an exit from the fund. Therefore this rate will be applied between the last renewal date and the date of leaving the fund.

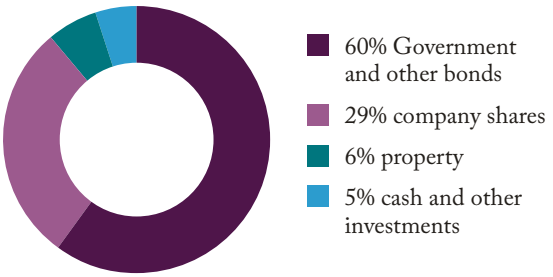
How is it invested?

Crest Secure is a subset of the Royal London Open Fund within the Royal London Long Term fund. It invests in a range of different asset types including fixed interest stocks, equities and property.

The aim of the investment strategy is to optimise the long term return on investments for policyholders whilst recognising the need for the fund to meet its guaranteed liabilities.

The latest asset allocation is detailed in the following chart. It is our expectation that the high level of fixed interest investments will be maintained in the future.

Investment mix at 31st December 2024



Risk factors

It is important that you understand the potential risks associated with this fund. We have detailed below the specific risks we think you should be aware of. For further information on each of these risks please refer to our **Guide to Fund Risks**.

Investment Risk Factors	Yes/No
Exchange Rate	Yes
Emerging Markets	Yes
Concentrated Portfolio	No
Smaller Companies	Yes
High Yield Bonds	Yes
Sector Specific	No
Geared Investments	No
Property	Yes
Higher Risk Fund	No
Derivatives	Yes
Equities	Yes
Bonds	Yes
Money Market	Yes
Stock Lending	Yes

What are the current rates declared?

The current rates declared as at the 1st January 2025 and applicable for the scheme year 2024/2025 are:

Declared Standard Growth Rate for 2024/2025 scheme year	0.25%
Interim Growth Rate	0.25%
Guaranteed Minimum Growth Rate for 2025/2026 scheme year	0.0%

These rates are declared after receiving actuarial advice. The rates declared will reflect the actual performance of the assets backing the business, after allowance for the expenses incurred and after a smoothing adjustment. The smoothing adjustment results in the rate of bonus that is declared each year being more stable than the rate of return on the underlying assets. For example, in good years the rate of bonus that is declared may be less than the return achieved. In bad years the rate of bonus may be more than the return achieved. Over the long term the intention is that these adjustments will cancel each other out.

Following exceptionally bad years from an investment point of view e.g. 2001-2003 the value of the underlying assets will have grown very little, or indeed may have fallen. However, as a result of smoothing, the bonus rates that were declared remained well above the rate of return achieved. This smoothing gives rise to a gap between the value of the underlying assets and the face value of the account. In these circumstances a Market Value Reduction may be applied on voluntary exit, in order that policyholders who choose to leave do so at a rate that properly reflects the underlying value of their policy. Please note that if a Market Value Reduction is applied to your policy, the value of your plan could be reduced and you could get back less than you paid in. The Market Value Reduction will not be applied if the policy is being cashed in on death or in certain other circumstances depending on the plan type.

What rates have been applied in previous years?

The following table provides details on the rates declared in previous years:

Scheme Year	Declared	Interim	Guaranteed Minimum
2024/2025	0.25%	0.25%	0%
2023/2024	0.25%	0.25%	0%
2022/2023	0.25%	0.25%	0%
2021/2022	0.25%	0.25%	0%
2020/2021	0.25%	0.25%	0%
2019/2020	2.5%	2.5%	0%
2018/2019	5%	5%	0%
2017/2018	5%	5%	0%
2016/2017	5%	5%	0%
2015/2016	5%	5%	0%
2014/2015	5%	5%	0%
2013/2014	5%	5%	0%
2012/2013	5%	5%	0%
2011/2012	4%	4%	0%
2010/2011	3%	3%	0%
2009/2010	0.1%	0.1%	0%
2008/2009	0.1%	0.1%	0%
2007/2008	2%	0.5%	0%
2006/2007	2%	0.5%	0%
2005/2006	2%	0.5%	0%
2004/2005	1.125%	0.5%	0.25%
2003/2004	1.125%	0.75%	0.5%
2002/2003	2.25%	1%	0.5%
2001/2002	4.5%	4%	2.25%
2000/2001	5.25% + a special addition of 1% = 6.25% in total *	4.75%	2.75%
1999/2000	5.75% + a special addition of 1% = 6.75% in total *	5.25%	3.25%
1998/1999	6.25%	5.75%	3.25%

*The special addition of 1% in scheme years 1999/2000 and 2000/2001 was declared in lieu of terminal bonus. Further special bonuses in lieu of terminal bonus may be declared in the future but their size and timing will depend, amongst other things, on future investment conditions. The size of this bonus in previous years should not be taken as an indicator of possible future special bonuses.

Investing responsibly

As the UK's largest mutual insurance and pension provider, we're committed to acting and investing responsibly. Visit royallondon.com/responsiblebusiness to read our latest report on our climate change commitments and the progress we've made so far in line with our requirements under the Taskforce on Climate-related Financial Disclosures (TCFD).

Further information

Crest Secure is managed in line with our Principles and Practices of Financial Management (PPFM), which are also on our group website at royallondon.com/PPFM

If you would like further information on Royal London and the range of options available, please visit our website at royallondon.com/pensioninvestments

Changes made to the PPFM

During 2024 there were a small number of updates to PPFM Practices to improve clarity.

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We're happy to provide your documents in a different format, such as braille, large print or audio, just ask us when you get in touch.

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