

# Chair's Statement Regarding DC Governance

For the year ended  
30 September 2023  
(the "Trust year")





This statement explains how governance standards have been met in relation to the defined contribution (DC) scheme within The Pensions Trust (The Trust).

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Our detailed response to each of these areas is set out below, as well as some relevant background information.





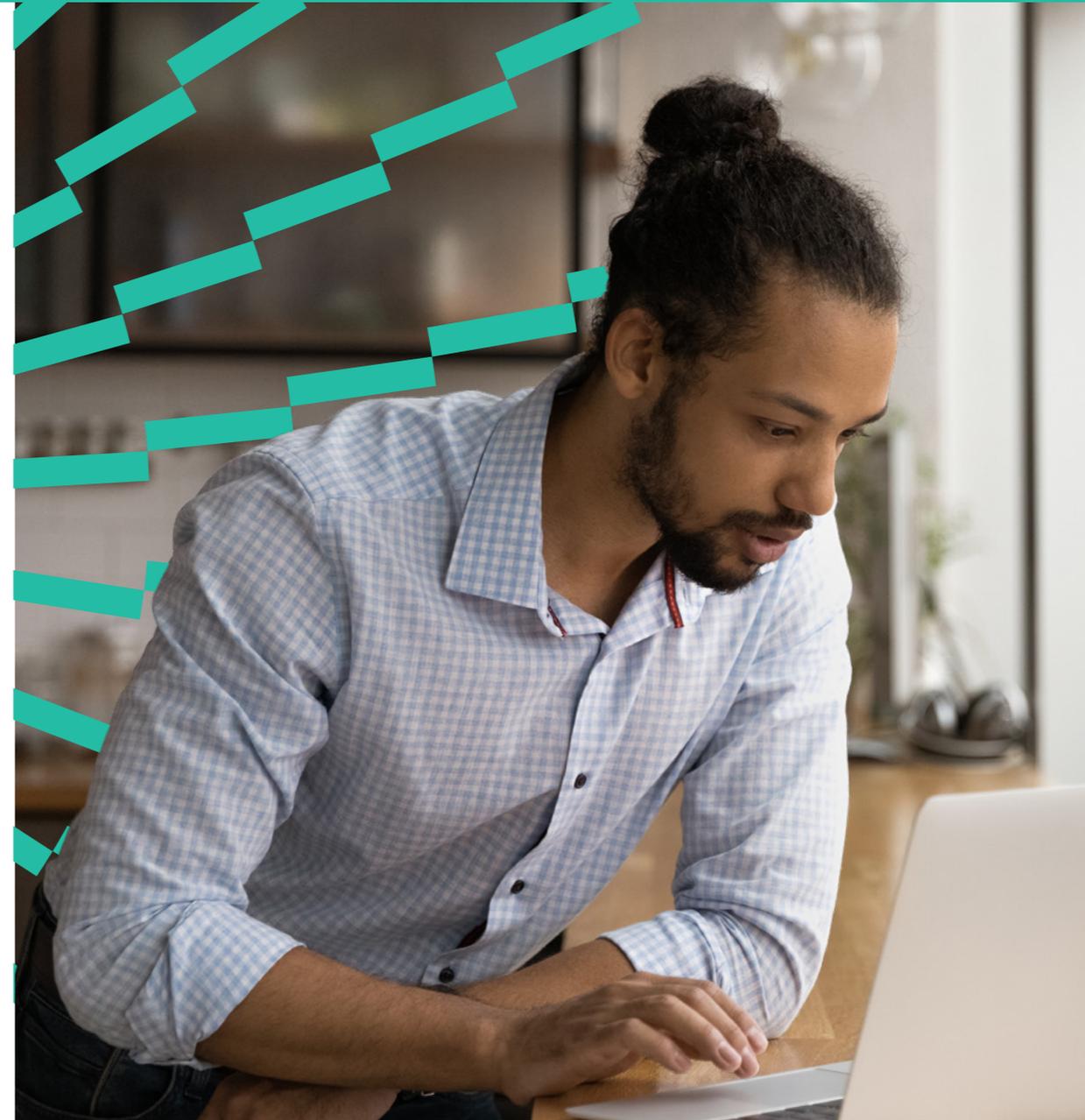
The Trust is a leading workplace pension provider with more than 75 years' experience of providing pensions and £10.3 billion of assets (as at 30 September 2023) under management.

The DC Scheme is an authorised master trust supervised by the Pensions Regulator (TPR) to ensure quality and sustainability. The Trustee of the DC Scheme is Verity Trustees Limited (VTL). The Trustee provides governance oversight and various functions noted throughout this statement. You can find further information about our Trustee Board at [Verity Trustees Limited - TPT Retirement Solutions](#).

Throughout the year under review, VTL employed its own staff to administer and manage the Trust and its staff operated under the trading name "TPT Retirement Solutions" (TPT).

In December 2022 the Board agreed, in principle, to a corporate restructure and formed a working party to oversee a project that resulted in VTL appointing its wholly owned subsidiary, TPT Retirement Solutions Limited, to provide pensions administration and management services from 2 October 2023.

The Trustee Board (the Trustee), TPT and now TPT Retirement Solutions Limited receive help and advice from experienced professionals and suppliers. Of most relevance to the governance standards in this Chair's Statement is the work of the DC Scheme's investment managers, AllianceBernstein.



# Highlights



**Future-proofing the DC Scheme administration and reviewing the technology:** During the 2022/23 Trust year the Trustee and the Scheme Strategist conducted a comprehensive strategic review of the DC Master Trust. The review identified two key priorities: the digitalisation of the member and employer experience and the introduction of improved retirement options, including flexible access drawdown.

A comprehensive review was undertaken to consider whether the current administration operating model and technology platforms could support the DC Scheme's transition to being fully digital. Following this review, it was agreed to initiate a comprehensive digital transformation programme. The build of the new technology platform and operating model is underway.

**Review and changes to the Default:** We reviewed the DC Scheme's Target Date Fund (TDF) Default during the Trust year to ensure it remained suitable for members and could support the emerging need for flexible access to pension savings in retirement. We also considered the Department for Work and Pensions' (DWP's) consultation, "Helping savers understand their pension choices", which proposes introducing a requirement for trustees to provide a set of at-retirement (decumulation) options that is suitable for their members and consistent with pension freedoms.

The Scheme Strategist worked with the DC Scheme's fiduciary investment manager, AllianceBernstein and consulting firm LCP to consider a suitable design for the TDF Default.

The aim was to offer a default fund suitable for members to use whilst saving for retirement through to accessing their savings, without the need for complex decision making and expensive advice.

**The review concluded that:**

- The investment strategy of the TDF Default should be adapted to allow a higher allocation to growth assets to help the move from accumulation of funds to flexible income throughout retirement, which requires a longer time horizon
- AllianceBernstein remained a suitable manager for the Default offered by the DC Scheme, and their TDFs also remained suitable for DC Scheme members
- The investment costs and charges incurred in the Default provided value for money

The Trustee's investment adviser, Redington confirmed that it supported the decisions made.

**Changes to investment options:** The investment options offered to members were subject to a comprehensive review during the Trust year. Again, the objective was to ensure that members are offered access to an appropriate range of options whilst saving for retirement and then accessing their pension savings. Following employer feedback and market research, the decision was made to change the investment options to support members who want to:

- Target the purchase of an annuity to guarantee income in later years
- Put money aside in a "safety-net" for unforeseen circumstances; and/or
- Specifically leave part of their pension pot as a legacy

The functionality and underlying investments will be developed as part of the DC Scheme's digital transformation. They will be launched as part of our new retirement proposition in the second half of 2024.

The self-select fund range was also reviewed, and it was agreed to introduce new ways to invest in a sustainable future with six new self-select funds introduced in the year to 30 September 2023.

Self-select Fund	Investment Manager
Emerging Markets Equity	LGIM
Global Corporate Bond	LGIM
Global Impact Bond	Wellington
Global Impact Equity	Baillie Gifford
Low Carbon Transition Global Equity	LGIM
UK Equity	LGIM



These funds are designed to give greater freedom and choice in relation to socially responsible investment strategies, such as low-carbon-emitting or positive-impact investing. The new funds will enable members to tailor their pension investments to better reflect specific beliefs, financial objectives and risk preferences.

Those who invest through the Default will not be affected by the introduction of these new self-select funds. The Default already has a fully responsible approach to investment integrated into the strategy, with 5-10% of a pension pot allocated to impact investments over the long term.

**Updated communications strategy:** The Trustee carried out a formal review of the communication strategy during the Trust year. In-depth member research was undertaken with over 1,500 members participating. Insights from the research, along with ongoing member and employer feedback, were used to shape the communication strategy. Three new key objectives were agreed:

- To give members reassurance in the DC Scheme’s expertise to manage their pension savings
- To help members understand how their pension works, what it might be worth and how and when to make decisions; and
- To encourage members to engage with the DC Scheme and make it easy for them to engage

### **Taking these objectives into account, the Trustee’s updated member communication strategy includes:**

- using member research to better understand members’ needs and to measure the effectiveness of communications at meeting these needs
- reaching members by regularly communicating in different ways and through various channels, including through employers and by email and using targeted content appropriate to different sections of the membership
- improving engagement and member service through digital channels, including improving the ability for members to make changes to their arrangements themselves through the website; and
- promoting the DC Scheme’s responsible investment story and helping members understand how their savings are invested

You will see that we have already started introducing some new ways of communicating with members later in this statement.

As a result of the DC Scheme’s efforts to improve member engagement and communication, we are delighted to report that the DC Scheme has been recognised by several key industry awards:

- Winner Communication – Pensions & Investment World Pension Summit Innovation Awards 2022
- Winner Master Trust Offering of the Year – Pension Age Awards 2023

- Winner Pension Scheme Communication Initiative of the Year – UK Pension Awards 2023
- Winner European Pension Fund Innovation Award – European Pension Awards 2023
- Winner Best Use of Video – Investment Marketing & Innovation Awards 2023
- Winner Pension Provider of the Year – MoneyAge Awards 2023
- Winner Saver Engagement – PLSA Retirement Living Standards Awards 2023

### **Approval**

This DC Governance Statement was approved and signed for and on behalf of the Trustee on 18 March 2024.

### **Joanna Matthews**

Independent Chair, Verity Trustees Limited

The remainder of this statement describes in more detail the Trustee Directors’ governance and management of the DC scheme during the last year.

# Default investment



## Investment

The Trustee invests contributions to provide pensions / retirement benefits having taken advice from appropriately qualified investment advisers. The day-to-day selection of investments is delegated to the appointed specialist investment manager, AllianceBernstein.

## Default investment

Most members (over 90%) accept the default investment offered and governed by the Trustee. Some members actively self-select their investments from the range offered by the Trustee.

The default investment uses so-called Target Date Funds (TDFs). Ethical Target Date Funds (ETDFs) are also available as the default option for members of The Ethical Fund (TEF).

Each TDF is geared up to a target retirement date (assumed to be age 65 unless the member selects otherwise). To help protect the value of the investment as the member approaches (and passes) the target retirement date, the TDF will move progressively from riskier, growth-orientated assets (e.g. equities and property) into lower-risk, income protection-orientated assets (e.g. bonds).

## Self-Select Cash Fund

The TPT Self-Select Cash Fund is technically a default investment as it may be used when the market is not open for dealing in other TPT investment funds.

## Statement of Investment Principles (SIP)

The Trustee's investment aims, policies and objectives regarding the default investment can be found in the latest SIP.

SIP policies cover risks, returns and issues associated with Responsible Investment and Climate Change. The SIP also covers how the DC Scheme's default investment strategy is intended to ensure that assets are invested in the best financial interests of members and beneficiaries.

The default investment aims to deliver a return of inflation plus a margin (where applicable), subject to an acceptable degree of risk, where the risk profile of the members is assumed to decrease as they approach retirement. The Trustee believes default investment members should not need to make investment choices or switch funds as they approach retirement.

The SIP states that the Trustee is part of the following collaborative bodies: Institutional Investors Group on Climate Change ("IIGCC"), the Global Steering Group of Partnership on AI ("PAI"), signatory of the Climate Action 100+, Investor Statement on Just Transition, Investor Policy Dialogue on Deforestation ("IPDD"). A copy of the latest SIP is included in Appendix 1.





### Default investment review

Default investments are kept under review to consider the extent to which net returns are consistent with aims and objectives. Those aims and objectives are also reviewed as part of the wider strategy, along with performance generally. The aim of the review is to ensure the default investment remains suitable for the members.

A review is also undertaken annually (and whenever there has been a significant change in investment policy) which exceeds the minimum legal requirement. A formal triennial review considers both the performance and the strategy of the default arrangement. The last formal triennial review was completed in May 2021. This included a review of the fiduciary manager, AllianceBernstein and more detailed investment modelling undertaken by Redington.

A typical review process (triennial or annual) involves various layers of delegated roles and responsibilities. The Trustee monitors performance continuously and receives relevant updates at each quarterly Board meeting.

AllianceBernstein, the investment manager, also produces formal papers for the Investment Strategy Review and advice is taken from the investment adviser. The Trustee appointed TPT Investment Management as its DC investment adviser on 2 October 2023, previously Redington were the appointed adviser.

During the Trust year, the Investment Committee undertook quarterly and annual performance monitoring in conjunction with the investment manager and convened a dedicated committee meeting to cover the DC Scheme and the culmination of the review process. The output of the annual review was reported back to the Trustee.

The Investment Committee also kept the investment strategy of the ETDFs under regular review. Further diversification within these funds is considered as alternative strategies become available at appropriate cost.

This standard process was followed during the Trust year. The culmination of the review process took place at an Investment Committee meeting on 4 May 2023. In the Trust year, key papers were included in a “TPT Stewardship Presentation” from the investment manager, dated 4 May 2023.

The review considered changes in the profile of DC Scheme members over the year, as well as individual member-level analysis considering current financial circumstances, risk tolerance and future financial circumstances. The aggregate analysis was then used to inform the current and future objectives of the default strategy, considering the investment manager’s view of future investment returns.

The outcome of the annual review was that the default investment remains appropriate for the membership, given member demographics and the retirement outcomes experienced. The SIP update noted earlier arose from the annual review and new compliance requirements in the Trust year.

The Investment Committee carried out a non-statutory annual review in May 2023. The non-standard features of the review were:

- An assessment of the DC Scheme’s Strategist’s recommendations for the enhancement of the at-retirement (decumulation) options that could be offered to members in 2024
- An assessment of the recommendation to expand the range of Self-Select Funds
- An assessment of the recommendation to re-design the standard TDFs to offer a “to and through” retirement solution

# Administration



Good member outcomes in DC schemes rely, at least in part, on a high standard of administration. The Trustee is required to have processes in place to make sure that key aspects of administration are processed promptly and accurately.

## Core financial transactions

Key elements of administration are known as “core financial transactions” and relate to the movement of money and member payments.

They include (but are not limited to):

- Investment of contributions
- Transfer of members’ assets to and from the DC Scheme
- Switching between investments within the DC Scheme
- Payments out of the DC Scheme to members/beneficiaries

In the DC Scheme, the administration that delivers these core financial transactions is undertaken by the administrator (Mercer), a specialist third-party provider of pensions administration services. A dedicated employer support team within TPT collected all monthly contributions and member data.

## Assessment

Based on the completion of the DC Scheme’s rigorous monitoring and assessment processes, the Trustee believes that these core financial transactions were processed promptly and accurately during the Trust year.

Administration reports demonstrate that monthly reviews of reconciliations of investment transactions and member units took place. Any discrepancies were accounted for, with the administrator confirming the circumstances leading to the differences and the actions being taken to address these. All discrepancies were managed to resolution.

We are pleased to report that the standard monitoring process was undertaken in the Trust year and no issues in respect of the DC Scheme were identified that required reporting to TPR.

There were, therefore, no outstanding issues to resolve at the end of the Trust year.

## Service Level Agreement

The starting point for monitoring and assessment is a set of service levels that are agreed and key controls with the administrator, covering the timeframes for and accuracy of processing core financial transactions. These cover the processing of monthly contributions and fund switches with the investment manager within 24 hours of request, the payment of retirement benefits within 10 working days of receiving all completed documentation, and transfers-in processing within 5 working days of receipt.

The Trustee target for the overall Service Level Agreement (“SLA”) is 95%.

Month	Overall SLA Performance
Oct-22	98.02%
Nov-22	98.54%
Dec-22	98.88%
Jan-23	98.62%
Feb-23	97.55%
Mar-23	98.33%
Apr-23	98.83%
May-23	97.54%
Jun-23	97.20%
Jul-23	96.12%
Aug-23	95.20%
Sep-23	96.99%



Below is a sample of the individual tasks included in the overall SLA data:

Task	Target SLA (95%)	Actual SLA Q1	Actual SLA Q2	Actual SLA Q3	Actual SLA Q4
Complaints – investigation and formal response	20 days	90.8%	81.9%	83.2%	75.3%
Data Amendments submitted by Members	5 days	99.4%	99.3%	99.2%	99.2%
Retirement Quotation Pack	5 days	95.6%	96.6%	97.2%	97.6%
Transfer Value quotation	5 days	96.8%	96%	97.1%	96.8%
Payment of Transfer Value	5 days	98.8%	99%	99%	98%
Payment of Retirement Benefits	5 days	97.5%	98.8%	99.1%	98.3%
Death benefit settlement	5 days	98.9%	98.3%	96%	96.2%
New Entrants	5 days	100%	99%	99.9%	96.9%
Benefit Statements Completed	3 months from year end	100%	100%	100%	100%

The administrator also undertakes daily monitoring of bank accounts, uses a dedicated contribution processing team, and has two individuals checking all investment and banking transactions. The standard process for helping to ensure that no issues arose in the Trust year is set out below.

### Standard monitoring process

The DC Operations Manager reviews the administrator’s monthly administration report, discussing any discrepancies and documenting actions requiring resolution, and reviews the administrator’s activity levels, capacity and resource planning in scheduled weekly calls (along with ad-hoc or unscheduled calls when necessary).

TPT’s Quality Assurance team carried out monthly audits to review the core financial transactions that were originally processed by the administrator, including member investment allocations and other aspects of the DC investment cycle. Any issues raised by the annual audit are discussed during the monthly meetings between TPT and the administrator and escalated to the Trustee as necessary.

The Executive Board considers the administrator’s annual report on the completeness and accuracy of common and conditional data (which is relevant to core financial transactions).

External auditors, Crowe UK LLP, test TPT’s controls, including administrative processes and prepare an assurance report (TECH 05/20 AAF Assurance Reporting on Master Trusts) in accordance with the framework provided by the Audit and Assurance faculty of the Institute of Chartered Accountants in England and Wales (ICAEW). This assurance report considers the design, description and operational effectiveness of the control procedures established by the Trustee over the reporting period.

The administrator obtained a TECH 05/20 AAF report covering the relevant period, which provides a substantially accurate description of their internal controls and confirms that the control activities described remain operationally effective.

The administrator’s AAF reports are reviewed by the TPT DC Team as part of TPT’s own DC governance process and by the DC Oversight Committee on behalf of the Trustee.

TPT’s in-house Internal Audit function provides assurance to the Trustee’s Audit, Risk and Compliance Committee (“ARCC”) and the Executive Board regarding the management of outsourced services including the administrator.

For monthly contributions and member data collection, the process includes verification by employers that the contribution schedules submitted are correct, and verification by TPT that the contributions received match the contribution schedules. Any issues where standards are not being met are escalated to the Operations Director and the Executive Board for rectification and then reported to the Management Oversight Board and the Trustee via the administration report. If necessary, the ARCC may also be notified of an issue for resolution.

# Member-borne costs and charges

In DC pension schemes, members typically pay charges associated with running the DC Scheme and managing the investments. These charges are deducted as a percentage of member pots.

As required by law, the Trustee has calculated member-borne charges for each default investment and the self-select investment, too. In the Trust year, member-borne charges were well within the statutory charge cap (0.75% per annum) for default investments. There is no charge cap for self-select investments.

There are no performance fees for the default funds.

### What information have we shown?

In the following appendices we have shown:

**Appendix 2:** Member-borne costs & charges

**Appendix 3:** Cumulative illustrations

**Appendix 4:** Investment returns

In this section of the Statement and Appendices 2, 3 and 4, the Trustee has taken account of statutory guidance unless specifically stated.

All costs and charges shown are the percentage of a member's fund that is taken each year to meet the costs and charges borne by the member.

### Administration charges

These are the charges made for running the DC Scheme and investing a member's money.

In the DC Scheme, administration charges are aggregated as the annual management charge ("AMC") which comprises fixed costs including platform charges.

For some funds, additional expenses are payable over and above the AMC. These typically include custodian fees, legal fees and depository expenses. The expenses vary between each fund and from month to month. All of our member communications state when and where additional fund expenses may be payable. Fund Fact Sheets detail the actual fund expenses charged over the previous quarter. The Investment Oversight Committee monitors data in respect of additional charges every quarter.





#### Transaction costs

These costs are incurred when investing money in funds or investments, for example, when buying or selling shares or bonds or selling out of a fund altogether. They are part of the activity involved in protecting the value of the investments and helping them grow.

Transaction costs have been calculated in accordance with Financial Conduct Authority requirements.

In the Trust year, all relevant transaction cost information was obtained through the standard process of engagement with the Investment Manager except for new funds where transaction cost information is not yet available. Comments are included where details of transaction costs are limited in any way.

#### Cumulative illustrations

As required by law, we have included illustrations in Appendix 3 which show how a member's investments may grow relative to charges over the period to retirement. These are not personal projections for individual members and members should not rely on them. They are simply to assist in the general understanding of the DC Scheme.

#### Net investment returns

As required by law, we have included tables showing net investment returns in Appendix 4. These show how administration charges and transaction costs have affected investment returns in each default target date fund over the relevant period. Self-select options are also covered. Please note that past performance does not necessarily indicate how an investment may perform in future.



# Value for members



The Trustee believes that, in the Trust year, the Trust provided good value for members.

## Report

The Trustee carried out a value for member assessment, covering the year ending 30 September 2023 and a formal report was provided by the Trustee’s independent adviser, Redington.

The purpose of this report was to assess the value for members of the DC arrangements within the Trust, when considering the costs members pay in return for the benefits and services they receive. The report was approved by the Trustee on 8 March 2024.

The Trustee has updated its monitoring and reporting framework for the year, obtaining independent expert advice on its processes and expanding the range of criteria it considers in assessing whether the DC Scheme offers value for members.

## Assessment

The Trustee has used seven criteria to assess whether the DC Scheme offers value for members. It has taken account of the relevant regulatory guidance. The key points identified and the Trustee’s conclusion in each area are shown below.

### Costs and Charges:

- The vast majority of members pay an AMC (now expressed as a “Total Expense Ratio” (TER)) of 0.53% for the default strategy growth phase, reducing to 0.52% five years from retirement. This covers all services that are provided to support members’ savings journeys, including the cost of managing their investments, administration and engagement
- The DC Scheme’s charging structure means that members’ TER remains broadly constant through their savings journey, assuming they remain invested in the default strategy
- The TER for self-select funds ranges from 0.44% to 1.00%

### Conclusion:

- The Trustee believes that the costs and charges paid by members for the services provided are reasonable in comparison with other similar master trusts.





#### Trustee Governance

- The DC Scheme has a long-established and comprehensive trustee governance structure
- The Trustee has a diverse range of experience with Trustee Directors holding a range of complementary professional qualifications. TPR is increasing its focus on Trustee Diversity and the Trustee is actively considering how it can bring further diversity to the Trustee Board
- The Trustee is supported by a DC Oversight Committee, which exercises the statutory function of Scheme Strategist, by the wider team of professionals employed by TPT and by several external professional advisers
- All Trustee Directors follow a structured personal development plan with feedback and training provided to ensure that they are performing well in their roles

#### Conclusion:

- The Trustee believes that the Trust has a robust and independent governance structure with a strong focus on improving member outcomes.

#### Administration

- Day-to-day administration is carried out by a dedicated service team of more than 60 full-time staff employed by a specialist third party administrator
- Performance against SLAs is regularly monitored and regularly exceeds contractual requirements and industry expectations
- Data quality is reviewed annually and is rated at 96% against the Pension Regulator’s “common data” score. Common data is the data held by all pension schemes and is used to uniquely identify a member. There are plans in place to improve this score further
- In line with market best practice, “straight-through processing” is used for a number of tasks, reducing human intervention and the risk of manual error
- Following an administration review during the first half of 2023 the Trustee has decided to appoint a new provider

#### Conclusion:

- The Trustee believes that the performance of administration services is appropriately monitored and performance during the year has been good.

#### Investment

- The Trustee believes that the default investment arrangement, implemented through TDFs, is suitable for the majority of members and incorporates a well-designed investment glide path to retirement
- TDFs provide significantly more investment flexibility and future-proofing than a “lifestyle” approach
- The default investment options are performing in line with expectations
- A range of self-select funds is offered to members which covers key asset classes and includes options for members who wish to prioritise investment in line with ethical principles. The self-select range has been expanded by the addition of three new impact-focused funds
- The Trustee’s climate action plan includes commitment to halving carbon intensity by 2040, and a net zero position by 2050

#### Conclusion:

- The Trustee believes that the DC Scheme offers an appropriate range of investment options for its members. Long-term performance of the default strategy remains strong for members throughout the investment journey.



#### Environmental, Social and Governance

- The Trustee has a responsible investment policy which AllianceBernstein (AB) integrates into the TDF default investment strategy
- The Trustee has a climate action plan which includes various commitments to be met by 2030 and 2050, including a commitment to halving carbon intensity by 2040, and a net zero position by 2050
- The climate action plans in place for the Trustee and AB mean that climate considerations are integrated across the default investment strategy
- Both the Trustee and AB are affiliated with a range of industry groups and demonstrate a commitment to investing in line with ESG factors. AB's climate change action plan for UK DC default funds is aligned with and applied to the default strategy and ESG factors are integrated across all asset classes in the allocation process

#### Conclusion:

- The Trustee believes that the strategies in place withing the DC Scheme demonstrate a good appreciation for the risks and opportunities arising from ESG factors.

#### Retirement Journey

- Segmented retirement life-stage communications are provided to allow members to focus on key decisions
- Members have a range of options for drawing benefits at retirement and tools available to help them make their decisions, which now includes the ability to take benefits as multiple lump sums rather than a single payment
- The Retirement Journey is being improved by the introduction of in-scheme drawdown and new TDF designs implemented to different retirement journeys, including a “Whole of Life” and a Future Guaranteed Income strategy
- The Trustee has partnered with an external professional organisation to provide both free guidance and cost-effective regulated advice for members at retirement

#### Conclusion:

- The Trustee believes that members have access to a range of retirement options and is committed to improving this. There is support and tools to help members make their retirement decisions.

#### Communication and Tools

- TPT has the ability to provide member communications which are segmented by age and, in particular, TPT has bespoke communication strategies for the key phases of accumulation and pre-retirement
- Communications are provided to members in a range of different formats to accommodate members' different preferences for accessing information
- Communications can also be made which are personalised for the member and which are tailored on a bespoke basis to their employer
- Topics of communication include all key stages of the savings and retirement journey and are triggered by different life events and changes in the legal and economic environment
- Communications are tracked through metrics including website visits, secure portal log-in rates, and open and click-through rates of email communications

#### Conclusion:

- The Trustee believes that it provides engaging member communications and demonstrates an ongoing commitment to understanding its members' needs and improving communications and the tools used. The Trust has received several Pension Industry Awards in this area.

# Trustee knowledge and understanding



The Trustee Directors have considerable relevant experience and expertise, with skills and knowledge that complement each other and provide a diversity of experience on the Trustee Board. Trustee Directors must complete the Pension Regulator’s Trustee Toolkit and satisfy “Fit and Proper” regulatory requirements. Further, Trustee Directors are required by law to meet knowledge and understanding requirements in relation to the DC Scheme.

### Assessment

Having considered actions taken individually as Trustee Directors and collectively as a Trustee, and the professional advice available, VTL is confident that the combined knowledge and understanding of the Trustee Directors enables the Trustee Board to properly exercise its functions as Trustee. This assessment is made by reference to the requirement for the Trustee Directors to demonstrate:

- Working knowledge of the DC Scheme rules, the SIP and the governance policies relevant to the DC Scheme
- Sufficient knowledge and understanding of the law relating to pensions and trusts and the principles of funding and investment
- Combined knowledge and understanding (together with available advice) to enable them to properly exercise their functions

A set standard of TKU arrangements meets these general requirements, along with specific requirements for new trustees, the board as a whole and the training programme.

### Standard TKU arrangements

In each Trust year, each Trustee Director is required to undertake a minimum of 25 hours training (at Trustee and committee meetings and externally), read and understand the Governance Document containing the Trust’s governance policies and complete any updates to the Pension Regulator’s Trustee Toolkit.

All Trustee (and committee) meetings and decisions are supported by professional advice as appropriate. The Trustee’s legal adviser attends each Trustee meeting (supporting a working knowledge of the Rules and law relating to pensions and trusts), and the Investment Adviser attends all Investment Committee meetings (supporting a working knowledge of the SIP and sufficient knowledge of relevant principles of funding and investment of occupational pension schemes).

Trustee business is also supported by the wider TPT support functions through delegated activity to appropriate specialist teams.

These standard arrangements have been in evidence in the Trust year.





#### Board effectiveness

The Trustee is expected to challenge and question advisers, committees and other delegates effectively, make decisions in accordance with the Rules and in line with trust law duties, and manage any conflicts of interest. The Trustee undertakes regular board effectiveness reviews measured against the Trustee's objectives and annual business plan. The Trustee has agreed to undertake the next external effectiveness review in 2025.

The last external review was undertaken in 2021 by Independent Audit and included observing meetings of the Trustee and its Committees, reviewing meeting packs and individual interviews with Board and Committee members and TPT staff. The review concluded that good progress had been made in strengthening the Trustee governance framework and noted that:

- Oversight of TPT is underpinned by the personal commitment of the Trustee Directors and those co-opted
- There is a supportive approach from management which recognises the importance of governance and transparency
- There is evidence of deep expertise across the organisation
- There is a commitment to overcome challenges via co-operation and communication
- Board and Committee Chairs are widely respected

The 2021 review also noted that the Trustee may want to consider reviewing its corporate structure to address the potential for conflicts of interest that arise as a consequence of it being both (i) the Trustee of large non-associated multi-employer occupational pension schemes (in which capacity its fiduciary duties are primarily owed to the Pension Schemes' members) and (ii) the effective provider of services to employers.

During the Trust year, the Trustee formed a working party to oversee a corporate restructure which resulted in Verity Trustees Limited appointing its wholly owned subsidiary, TPT Retirement Solutions Limited, to provide pensions administration and management services from 2 October 2023.





#### Individual assessment

At the end of the Trust year, each Trustee Director self-evaluates their performance by completing a questionnaire. In addition, the Chair is asked to indicate if she has identified knowledge gaps or believes that a Trustee Director needs any specific training. Any gaps identified are recorded on the relevant Trustee Director's appraisal form.

Each Trustee Director must also confirm, by way of a fit and proper person's declaration, that they continue to meet the necessary standards of honesty, integrity, good conduct and financial soundness.

In the Trust year, this process was undertaken and conclusions have been fed into the training requirements as appropriate.

#### New Trustee Directors

A comprehensive induction process is in place for all new Trustee Directors. This is set out in the Trustee's Governance Document. The extent of the induction programme will depend on the new Trustee's skills, knowledge and competencies.

As a minimum, a new Trustee will be expected to:

- Read and understand the policies in the Governance Document
- Familiarise themselves with the Trust documentation, including the Rules, the SIP, the risk register and the Chair's Statement

On 1 October 2022, Dean Waddingham, Chris Roles and Helen Astle were appointed Directors, having completed the above induction programme.

#### Training

The Trustee follows an annual training programme to ensure all Trustee Directors have appropriate knowledge and understanding. The training programme is reviewed regularly by the Trustee to ensure it is up to date. It is designed to cover major developments (legal, investment and otherwise) and address any knowledge gaps identified in the individual assessment (and rolling assessment).

In the Trust year, the Trustee undertook a range of training including:

- Equality, Diversity and Inclusion
- Retirement journey and Target Date Funds
- DC Member engagement
- Value for Money process and approach for 2022/23
- DC Legal update
- Pensions Dashboard
- UK Stewardship Code
- Climate Change Reporting Obligations

The breadth and complexity of pension trusteeship is such that we have not managed to address all of the knowledge gaps identified during the Trust year. The Trustee has, therefore, implemented a rolling programme to ensure gaps are filled promptly. In the year ahead, the Trustee Directors will be receiving training on (amongst other things):

- Risk Management
- UK Stewardship Code
- Task Force on Nature-related Financial Disclosures (TNFD)
- The Pension Regulator's General Code

This training will address the knowledge gaps identified in the previous Trust year.

# Trustee independence



In the circumstances of the Trust, the legislation requires that a majority of the Trustee Directors (including the Chair) must be “non-affiliated”. In broad terms, “non-affiliated” means independent of the service providers and other commercial parties involved with the Trust.

### Majority Independent

For the year ended 30 September 2023, there were ten Trustee Directors of Verity Trustees Limited, all of whom were non-affiliated. The Trustees were:

**Joanna Matthews**, Co-Opted Director and Chair

**David Robertson**, Co-Opted (resigned 29 September 2023)\*

**Jonathan Wheeler**, Employer Nominated Director (END)

**Jonathan Cawthra**, END

**Paul Oldroyd**, END

**Dean Waddingham**, END

**Thomas Hague**, Member Nominated Director (MND)

**Linda Henry**, MND

**Helen Astle**, MND

**Chris Roles**, MND

\*Following the corporate restructure, one of the co-opted Directors, David Robertson, stepped down from the Trustee to prevent any conflict with his role as the Chair of the subsidiary company, TPT Retirement Solutions Limited. Therefore, from 1 October 2023 there are nine Trustee Directors.

In determining whether a Trustee Director is non-affiliated, VTL has taken account of the detailed legal requirements regarding whether the individual has been an employee (or similar) of any service providers and any conflicts of interest (especially where payments are concerned).

VTL monitors non-affiliated status through governance processes which include such things as maintaining records of the length of the appointment and declarations of conflict as they arise and at Trustee meetings.

Based on the non-affiliated test (summarised above), the terms of appointment, and ongoing monitoring, VTL is comfortable that all of the Trustee Directors (including the Chair) were “non-affiliated” in the Trust year.





#### Appointment process

The recruitment of non-affiliated trustees must be undertaken in an open and transparent manner. An open and transparent process can include advertising the vacancy in national publications or using a recruitment agency to assist in the selection of candidates. These methods are adopted for the recruitment of the Trustee's co-opted directors, including the Chair.

However, the nature of the Trust means a different method is used for Member-Nominated Directors ("MNDs") and Employer-Nominated Directors ("ENDs"). This entails communication to all eligible members and employers, inviting them to nominate candidates in accordance with the terms of the Rules. For example, a nominee is entitled to stand as an MND candidate if they are a Pensions Trust or The Pensions Trust 2016 member. An employer may nominate only one person as an END candidate and there cannot be more than one employee of a participating employer on the Trustee Board at any one time.

The Trustee's Remuneration and Appointments Committee ("RAC") will agree the candidates to be interviewed following an assessment of the application forms against the job specification and required competencies agreed by the Trustee. There is a two-stage interview process. The first stage is conducted by a panel comprising existing

Trustee Directors, including at least one current MND/END as appropriate, and a member of the TPT Retirement Solutions Limited's Executive Board. The output from the first stage interviews will be reviewed by the RAC and cross-referenced against any identified skill gaps. The RAC will then shortlist candidates for a second interview.

The second stage interview is conducted by a panel comprising the Chair, the Senior Nominated Director and a member / employer representative as appropriate. The second stage interview panel will recommend the preferred candidates for appointment to the RAC, who will subsequently make a recommendation to the Trustee.

Neither an END nor MND recruitment process took place during the year ended 30 September 2023. In the year ended 30 September 2022, the END process was followed in relation to the appointment of Dean Waddingham and the MND process was followed in relation to the appointment of Helen Astle and Chris Roles, all of whom were appointed as Trustee Directors with effect from 1 October 2022.

No co-opted (non-affiliated) directors were appointed in the Trust year.



# Member feedback



The Trustee is always keen to hear member views and has a legal requirement to make arrangements to encourage feedback. Feedback can help the Trustee understand how TPT can support members and encourage them to engage with their pension, as well as highlight any areas for improvement.

### Our communications

There are c.343,000 members, making this a very large DC Scheme in relative terms. Given the scale, we use email as the main communication channel with our members.

The Trustee's communication programme over the past year has included the following:

- The launch of a new pension learning hub, which includes a series of short video guides and promotion of a newly launched programme of live webinars running throughout the year
- The launch of a new pension saving tool on the DC members' website to help members work out if their pension savings are on track to give them the lifestyle (linked to the PLSA Retirement Living Standards) they want in retirement
- An engagement programme aimed at new joiners, consisting of emails to members during their first year post-enrolment
- Member guides were renewed
- Regular email updates were sent to members throughout the year, including annual benefit statement notifications, personalised video benefit statements and bi-annual member newsletters
- The addition of 26 new articles on the DC member website covering various topics to support members with their pension planning
- Development of a range of communication tools for employers to use in the workplace including posters, flyers and intranet banners. TPT has also developed the ability to offer larger employers a branded microsite

### Manner of feedback

We consider that email is the most effective means of obtaining member feedback given the scale of the DC Scheme. We use email surveys and other approaches to show that we have designed the process with the size, nature and demographic of the Trust membership in mind.

### Feedback arrangements

Feedback from members who contact us is actively gathered through monthly satisfaction surveys. These surveys are undertaken by an independent provider and the results are used to measure, modify, and improve services.

Annually, we invite members to give their views and provide feedback by taking part in member research, conducted by an external research agency. The findings from this research are used to further refine our communication plans and identify gaps and improvement opportunities.

The TPT website also includes an "Ask the Trustees" function, which allows members to submit questions or give feedback directly to the Trustee.

# Trustee Statement of Investment Principles



## Defined Contribution Elements

Reviewed by the Investment Committee: 14 September 2023. Approved by the Trustee Board: 10 October 2023

### 1. Introduction

- 1.1. TPT Retirement Solutions consists of two occupational pension schemes, The Pensions Trust (TPT) and The Pensions Trust 2016 (TPT 2016). TPT is an occupational pension scheme providing Defined Contribution (DC) pension benefits. This Statement of Investment Principles (SIP) governs decisions about investments in respect of the defined contribution elements of TPT, including the “default arrangement” (DC SIP). The default arrangement is, broadly, the fund into which members’ accounts are invested if they do not exercise a choice of investments.
- 1.2. In considering the appropriate investments and preparing this DC SIP, the Corporate Trustee, Verity Trustees Limited (the Trustee), has obtained and considered the written advice of their Investment Consultant, whom the Trustee believes to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee’s opinion, consistent with the requirements of the Pensions Act 1995 (as amended) and the Occupational Pension Schemes (Investment) Regulations 2005. The Trustee has consulted the participating employers about this DC SIP.
- 1.3. For the purposes of this DC SIP, references to ‘default arrangement’ include the TPT Cash Fund (for as long as it is a default arrangement), unless otherwise stated.

### 2. Appointments and Delegation

- 2.1. The Trustee has delegated investment decisions and compliance stewardship to a formal Investment Committee (IC) and a Chief Investment Officer (CIO) that report back to the Trustee.
- 2.2. The IC has delegated day-to-day investment management to authorised managers and has taken steps to satisfy itself that the managers have the

appropriate knowledge and experience for managing the Trustee’s investments. The managers are not appointed for a fixed period of time but these appointments are regularly reviewed as part of the monitoring and review processes already in place. The continued appointment of an investment manager who fails to comply with the Trustee’s policies and fails to give a satisfactory explanation will be reviewed. The details of individual managers are published each year in the investment report within the Trustee’s Annual Report.

### 3. Investment Beliefs

- 3.1. The Trustee has agreed a set of Investment Beliefs that the IC and CIO use as a framework when making decisions and agreeing investment strategy. The Investment Beliefs are reviewed annually and published each year and are available on TPT Retirement Solutions’ website. The Trustee regularly reviews the asset allocation of its DC investments in line with its Responsible Investment Framework (RI Framework), available on TPT Retirement Solutions’ website, to ensure the security, liquidity, quality and performance of the DC portfolio as a whole and to ensure DC investments are appropriately diversified.

### 4. Investment Strategies

- 4.1. The Trustee recognises that individual members have differing investment needs, that these may change during the course of members’ working lives and that members have differing attitudes to risk. The Trustee has established a suite of funds based on the ‘target date fund’ concept, i.e. funds that do not require members to make their own investment decisions and are designed to be suitable for members’ own individual expected retirement.
- 4.2. The Trustee invests TPT’s DC assets via a unit-linked insurance policy with Phoenix Life (the “provider”), who provides the DC investment platform and manages the default arrangement and self-select funds. By investing in this

way, the Trustee has no direct ownership of the underlying funds, which has implications for stewardship and aspects of other policies referred to in this SIP. The Trustee has appointed a third-party manager, Alliance Bernstein (the “investment manager”), to appoint underlying investment managers, monitor investment performance and vary the asset allocation of the underlying funds with a view to enhance investment returns.

- 4.3. For those members who do wish to make their own investment decisions, self-select investment funds are available. The Trustee offers a range of self-select funds with diversification of asset class and risk to reflect the full range of membership. A suite of ethical target date funds is available within the default option for members who wish to invest in accordance with ethical considerations and the Trustee’s Ethical Investment Framework. The Framework is reviewed annually and published each year and is available on TPT Retirement Solutions’ website.
- 4.4. All funds are made available after the provision to the Trustee of appropriate written advice. In doing this the Trustee has taken into account the risk that the investments might not, over a member’s working life, produce adequate returns and that during the period preceding retirement a change in investment market conditions might lead to a reduction in anticipated benefits.
- 4.5. The performance of the default arrangement and the self-select funds is monitored on a quarterly basis by the IC and reviewed annually in conjunction with the managers of the funds.
- 4.6. The on-going suitability and objectives of the default arrangement and the range of self-select funds are also reviewed annually by the IC in conjunction with its Investment Consultant, taking into account member feedback and benchmarking material provided by the Investment Consultant.

- 4.7. The aims and objectives of the default arrangement and default investment strategy are to provide an investment return in excess of inflation (measured by CPI). The investment manager seeks to dampen the impact of short-term market moves by adjusting the asset allocation tactically. Over the life of the funds, the strategic asset allocation shifts so that as a member approaches retirement the exposure to growth assets (such as equities) is reduced in favour of more defensive, less volatile assets (such as bonds). This default strategy and the aims and objectives of the default arrangement are intended to ensure that assets are invested in the best interests of members and their beneficiaries. The self-select funds are chosen by members who bear the risks associated with their chosen fund(s).
- 4.8. The range of default funds consists of unitised products which are dealt on a daily basis and so are readily realisable. The relevant number of units are purchased with the underlying funds on a bulk basis and allocated to each individual member. Reconciliations of investments take place through the daily investment cycle, with money sent for investment reconciled against unit information returned to the scheme's administrator at a member level.
- 4.9. The default arrangement does not yet invest in illiquid assets and the Trustee currently has a policy of not investing in illiquid assets. The Trustee does not consider that the members' best interests are currently met by the use of this asset class. However, the Trustee plans to keep its policy on illiquid investments under regular review.
- 4.10. The aims and objectives of the TPT Cash Fund as a default arrangement for relevant members are different from the aims and objectives of the overall default arrangement and default investment strategy. The Trustee takes the view that diverting members' contributions to the TPT Cash Fund during a suspension of trading in a self-select Fund is in the best

interests of the relevant members because the TPT Cash Fund is a low risk, liquid option with diversified exposure to a range of high quality financial institutions and a total expense ratio well below the statutory charge cap.

### 5. Investment Return

- 5.1. The IC and CIO determine the targets for the default arrangement and self-select funds. The long-term performance of the target date funds comprising the default depends on the asset allocation strategy and the IC and CIO have appointed the investment manager to oversee the asset allocation of the passive funds comprising the default arrangement to ensure appropriate risk-adjusted returns. The passive self-select funds are designed to match the performance of the underlying index tracking funds (before allowing for fees).

### 6. Management and Risk

- 6.1. The default funds and the self-select options invest in a range of (mainly) index tracking funds which are provided by leading investment houses. Regular meetings are held with the provider and the investment manager to assess protection for members and contingency plans. All funds are accessible on a daily basis.
- 6.2. The following risks, which are not exhaustive, are assessed and monitored regularly.
- 6.3. The Trustee acknowledges and accepts that portfolio turnover (which means the frequency with which scheme assets are expected to be bought or sold) and associated transaction costs are a necessary part of investment management. The Trustee also accepts that the impact of portfolio turnover costs (which means the costs of buying, selling, lending or borrowing investments), which are incurred by the investment managers, is reflected in performance figures provided by the investment managers.

Risk	Description	Mitigation
Counterparty	Exposure to credit risk of insurance provider	Maintain regular reporting from provider and regular meetings to assess credit worthiness
Costs and Charges	The charging structure of the self-select funds (and transaction costs) are disproportionately high compared to the type of investment	Regular review of the charging structure; benchmarking process against charging structures of similar funds and providers in the market; and annual value for money assessment
Diversification	A high proportion of the assets are invested in securities of the same, or related, issuer or in the same or similar industry sector	Regularly review and monitor the composition of the default arrangement and self-select funds to ensure diversity of asset class and risk profile
ESG & Climate Change	Downside risks that result from environmental, social and governance (ESG) related factors including climate change	RI Framework sets out ESG risk management strategy as an integral part of the investment decision making process, with specific reference to climate change and the Trustee's approach to engaging with and monitoring its investment managers in relation to ESG
Illiquidity	Inability of assets to be sold quickly or sold at fair market value	Set a prudent limit for the proportion of illiquid assets to be held in the portfolio and monitor the exposure on a regular basis
Managers / Product Provider	Investment managers / product provider persistently underperform their performance objectives	Maintain a robust manager selection and monitoring process, manager diversification, tracking error limits and performance targets. This is delegated to the investment manager for the default arrangement
Operational	Loss arising from insufficient internal processes, people or systems and external events. This includes risk arising from the custody or transfer of assets, either internally or from new schemes entering TPT	Ensure processes and procedures are robust, documented and operated by trained personnel. Appropriately test systems and put in place appropriate business continuity plans
Strategic Investment	The selected long-term investment strategy fails to deliver the level of expected return or risk characteristics necessary to meet members' objectives	Set risk measures and limits, to be monitored regularly. Consider valuation metrics for investments, review strategic allocations on a regular basis



## 7. Decumulation phase

- 7.1. Whilst the Trustee does not currently offer a drawdown facility within TPT, members are able to take multiple lump sums at retirement and they have access to a drawdown service provided by Mercer for a fee.

## 8. Responsible Investment (including ESG factors) and on-financial matters

### 8.1. Introduction

- 8.1.1. The Investment Regulations require that trustees disclose their policies in relation to:
- financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments;
  - the exercise of the rights (including voting rights) attaching to the investments;
  - undertaking engagement activities in respect of investments (including methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters); and
  - the extent (if at all) to which non-financial matters (the views of members and beneficiaries including their ethical views) are taken into account in the selection, retention and realisation of investments.
- 8.1.2. The Investment Regulations also require trustees to be transparent about their scheme's arrangements with their asset managers including how (if at all) the arrangement incentivises the asset manager to act in accordance with trustee policies and the duration of the arrangement.

### 8.2. Financially material considerations

- 8.2.1. Financially material considerations are defined in the Investment Regulations as environmental, social and governance (ESG) considerations, including but not limited to climate change.
- 8.2.2. The Trustee is committed to being a responsible investor in line with its legal duties under the Investment Regulations. Responsible Investment is an approach which seeks to integrate ESG considerations into investment management and ownership practices.
- 8.2.3. The Trustee believes that certain ESG factors can have an impact on financial performance and that it is part of its fiduciary and its legal duties to incorporate this information into its investment decisions to reduce investment risk and enhance portfolio returns over the appropriate time horizon for an individual scheme in a way which reflects the demographics of members and beneficiaries. This view is expressed formally as a statement (number 10) in the Trustee's Investment Beliefs.
- 8.2.4. In order to formalise the activities that the Trustee undertakes to demonstrate its commitment to being a responsible investor, it has put in place a RI Framework. The RI Framework covers the key activities undertaken by the Trustee in managing the assets of the scheme and ultimately allows it to communicate its approach to both key suppliers and members.
- 8.2.5. RI forms an integral part of the governance and risk management framework used to protect the long-term value of the assets we manage on behalf of our members and beneficiaries.
- 8.2.6. The Trustee Board delegates responsibility for implementation of the RI Framework to the IC. In order to ensure the ongoing suitability of the Trustee's approach to Responsible Investment the RI Framework is reviewed annually by both the IC and the Trustee Board.

### Fund Manager Selection and Monitoring

- 8.2.7. The Trustee's RI Framework applies to all of its investments although it tailors its expectations according to the different asset classes and the investment styles of its managers (e.g. active or passive strategies).
- 8.2.8. The third-party manager selects a number of underlying investment managers who share key attributes, including: a long-term mind-set; appropriate remuneration structures; robust risk management; and integration of ESG factors into their decision-making process. The Trustee's monitoring process for asset managers is robust and it monitors performance and the manager's remuneration on an ongoing basis which allows it to make decisions about a manager's value throughout that manager's appointment.
- 8.2.9. The Trustee incorporates its expectations on ESG and climate change in the manager selection process to ensure that it understands the extent to which ESG is integrated into the investment philosophy and process. It also incorporates specific requirements for ESG capabilities and reporting into its operational due diligence and into the Investment Management Agreements put in place which are tailored according to the particular mandate.
- 8.2.10. The Investment Management Team (IMT) discusses the approach of the Trustee's incumbent managers to stewardship, climate change and ESG risks as part of the manager monitoring process and requires the managers to report back on their Responsible Investment activities on a regular basis.
- 8.2.11. Each manager's approach is assessed using the Trustee's rating system, with four key areas considered: Values, Stewardship, RI Integration and RI Reporting and Transparency. Each investment manager is then assigned a Responsible Investment rating.
- 8.2.12. The Trustee reports Responsible Investment manager ratings on a quarterly basis to the IC as an integrated part of its manager monitoring dashboard.

## Trustee Statement of Investment Principles continued

8.2.13. The Trustee does not offer individual incentives to managers but managers are incentivised by various other means. For example, the robust processes for selecting, monitoring and reviewing managers (together with the overriding possibility of their appointment being terminated) ensure that managers are incentivised to provide a high quality service that is aligned with the Trustee's policies and objectives, as outlined in thisSIP and in the Investment Beliefs and RI Framework. In addition, if the managers are not aligned with the Investment Beliefs and the Investment Committee's objectives, their appointment could be terminated.

**Environmental, Social and Governance Factors**

8.2.14. As part of its approach to Responsible Investment, the Trustee considers a range of ESG risks, including corporate governance, human rights, bribery and corruption as well as labour and environmental standards. Of the environmental and social issues that we consider, we believe that climate change presents a material financial risk to the assets held in our portfolios.

8.2.15. The Trustee therefore supports the goals of the Paris Agreement and has signed the Global Investor Statements to Governments on Climate Change.

The Trustee is taking action to tackle the risks of climate change through a commitment to net zero by 2050. Climate considerations are an integral part of the Trustee's Responsible Investment (RI) Principles and set our RI and stewardship approach in portfolio construction and monitoring, advocacy and reporting. Investments in thermal coal, oil sands and arctic drilling activities are not aligned with an ambition for net zero emissions. The Trustee is a member of the Institutional Investors Group for Climate Change and part of the Global Steering Group of the Paris Aligned Investment Initiative. Due to the interdependence of climate change with nature and society, it is a signatory of Climate Action 100+, the Investor Statement on Just Transition (World Benchmarking Alliance) and the Investors Policy Dialogue on Deforestation (IPDD) initiative.

This means that the Trustee is a part of the public discourse on climate change risks and opportunities and can influence change collaboratively.

8.2.16. The IMT provides regular updates to the IC on its activities related to climate change considerations and it is committed to reporting on its progress as part of its annual update on Responsible Investment.

**Social Factors**

8.2.17. The Trustee considers that companies it invests in have a responsibility to support and uphold the observance of basic human and labour rights in accordance with the United Nations Global Compact. The Trustee does not condone any activity which constitutes modern slavery or human trafficking under the Modern Slavery Act 2015.

8.2.19. The Trustee expects investment managers to choose an investment that has a positive social impact when compared to a similar investment with the same expected return and risk.

8.2.19. The Trustee recognises that the Defence sector poses particular risks to the value of the assets held within its portfolio, specifically with regard to the status of certain weapons, and that investments in the sector have to be informed by the restrictions set out in international conventions. As a result, the Trustee does not invest in companies involved in certain controversial weapons.

8.2.20. The Trustee defines corporate involvement in controversial weapons as the development, production, stockpiling, maintenance and offering for sale of controversial weapons and their key components.

8.2.21. In order to identify companies involved in controversial weapons, the Trustee uses external data to compile an Exclusions List. Total avoidance of companies identified on the Exclusions List may not, however, always be practicable from an implementation perspective, partly because of the range of asset classes and investment strategies in which the Trustee invests and in particular the use of derivatives in the portfolio.

8.2.22. The exclusion of companies involved in controversial weapons as defined above therefore applies to investments in physical equities and corporate bonds where the Trustee also has the ability to direct which assets are held within the fund structure.

8.2.23. The Trustee does not restrict investments in sovereign bonds based on states' commitment or adherence to the above international legal instruments.

8.2.24. The Trustee carries out regular reviews of its portfolio to ensure adherence with its approach to restricting investments in controversial weapons.

**Governance Factors**

8.2.25. The Trustee considers that companies it invests in have a responsibility to comply with the UK Corporate Governance Code and international best practice pertaining corporate governance such as G20/OECD Corporate Governance Principles and the ICGN Global Governance Principles.

8.2.26. Where a company's activities are found clearly to conflict with relevant English law or guidance from the UK government, or with international treaties ratified by the British parliament, this may result in one of two outcomes:

- a) A decision is made to engage with the company with a view to having the company desist from that activity. Such engagement should be held at an appropriate level and be subject to ongoing review as to its progress. If after a reasonable time engagement has been unsuccessful, then divestment might be the response.
- b) In exceptional circumstances where conduct is overtly unacceptable and/or there seems no reasonable prospect of engagement success, an immediate decision is made by the Trustee to divest from the company.

### 8.3. Voting

- 8.3.1. The Trustee aims to vote its shares in all markets where practicable. In the normal course of events, it delegates this activity to its investment managers. That said, the Trustee retains the right (where possible) to direct its investment managers to vote in a particular way which it believes is in the best interest of its members. The Trustee expects its managers to use their best endeavours to facilitate the implementation of client voting decisions. This right is most noteworthy in situations where the voting decision taken on a resolution would enable the Trustee to better implement the commitments set out in its RI Framework. The Trustee Board delegates judgement on these matters to the IMT. Where the Trustee exercises its right in this way, it will inform the IC of its decision, together with the reasons for it.
- 8.3.2. The Trustee expects its investment managers to exercise their voting rights, on behalf of the Trustee, in line with this DC SIP and / or consistent with the Corporate Governance Policy and Voting Guidelines issued by the Pension and Lifetime Savings Association (PLSA). Although the PLSA guidelines focus solely on voting at UK companies, they reference support for the G20/OECD Corporate Governance Principles and the ICGN Global Governance Principles. The Trustee expects its investment managers to use these guidelines when voting in markets outside the UK. In some cases where the Trustee deems the investment manager to have voting policies that better reflect the Trustee's approach to Responsible Investment than those set out by the PLSA, the IMT may choose to instruct the investment manager to vote in line with the investment manager's own policies.
- 8.3.3. Where an investment manager intends to vote at variance with this policy, the manager is asked to inform the Trustee as far in advance as possible to afford the best possible chance for the IMT to review the appropriateness of that manager's voting intentions on behalf of the Trustee.
- 8.3.4. The Trustee has an active securities lending programme which can sometimes prevent it from voting all of its shares. Where there is a contentious vote or a vote relating to the Trustee's engagement activities, the Trustee may choose to recall or restrict the amount of stock lent.

This decision will be considered on a case by case basis with counsel from the relevant investment manager(s).

### 8.4. Engagement

- 8.4.1. The Trustee's approach to engagement applies to equity and corporate bond holdings and consists of four elements:
- Engagement by investment managers:** The Trustee delegates primary responsibility for its corporate engagement activities to its investment managers. The Trustee believes that investment managers are best placed to engage with invested companies on ESG matters, given their knowledge of the company and the level of access they have to company management. This is a pragmatic approach because of the number of stocks owned by the Trustee, and the amount of time corporate entities have available for single investors. Engagement, with the aim of improving the medium to long-term performance of investor companies, is one of the factors taken into account by the Trustee in the selection, monitoring and review of managers. The Trustee expects its managers to engage in ESG matters where they are considered material and relevant to the investment case. It also expects its managers to respond to specific requests the Trustee might have.
  - Joint engagements with investment managers:** There may be occasions when engagement topics identified by the Trustee overlap with engagement efforts of its investment managers. In these situations, the Trustee will seek to undertake joint engagement activities with investment managers.
  - Collaborative engagements:** The Trustee recognises that as a responsible asset owner, it should, wherever practicable given time and resources, support initiatives which aim to improve the regulatory and operational environment for all investors. As part of this, the Trustee will participate in collaborative engagements with other asset owners which it sees as furthering the aims and objectives of its investment beliefs and its RI Framework. As part of its efforts in this area, the Trustee is committed to joining collaborative engagements through its association with organisations

such as the PRI, the PLSA and the IIGCC. This list is not considered to be exhaustive.

- d) **Direct engagements:** On occasions, an issue may arise where the Trustee believes it is necessary to directly engage with companies on particular ESG related issues.

In each case, the Trustee's approach to engagement is designed so that there is effective stewardship over the investments. It therefore requires an investment manager to consider a range of financial and non-financial considerations concerning the Trustee's investments, including performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance.

- 8.4.2. The Trustee's engagement activities will include written, oral and electronic communication and personal meetings with a company's senior policy makers.

#### Codes and industry initiatives

- 8.4.3. The Trustee supports industry-wide initiatives to promote Responsible Investment and Stewardship and is a signatory to the Principles for Responsible Investment (PRI) and the Montreal Pledge.
- 8.4.4. The Trustee does not insist that current and potential future investment managers are themselves PRI signatories, but it will discuss with its investment managers how they are implementing the spirit of these principles whether or not they are signatories. The Trustee does not insist the investment managers publicly support the UK Stewardship Code but it will seek detail from its investment managers on how they demonstrate their support for the code (for asset classes where it is appropriate).
- 8.4.5. The Trustee also aims to engage on relevant policy issues alongside other like-minded, responsible investors. To support the Trustee's work in this regard, it is a member of the IIGCC and the UK Sustainable Investment and Finance Association (UKSIF).



### Communicating and reporting

- 8.4.6. The Trustee shares information on its RI activities via regular member and employer reporting channels.
- 8.4.7. As a substantial investor in both UK and non-UK listed companies, the Trustee accepts its responsibilities as a shareholder and owner, whether that ownership is directly or indirectly held. This responsibility includes ensuring, where possible, that the companies in which it invests are run by executive officers and directors in the best long-term interests of shareholders.

### 8.5. Non-financial matters

- 8.5.1. Non-financial matters are taken into account in the selection, retention and realisation of investments. Non-financial matters for the purposes of the Occupational Pension Schemes (Investment) Regulations 2005 means the views of the members and beneficiaries including (but not limited to) their ethical views, their views in relation to social and environmental impact and the present and future quality of life of the members and beneficiaries of TPT and TPT2016.
- 8.5.2. The Trustee recognises that by delegating selection, retention and realisation of its DC investments to its investment managers, there are limitations to the extent to which it can take into account non-financial matters in its DC investments. However, the Trustee has adopted a practical and holistic approach to non-financial matters in relation to DC investment as set out in its Ethical Investment Framework. Further, the IC requires its relevant investment managers to report regularly on the application of the Ethical Investment Framework in the selection, retention and realisation of ethical investments across all asset classes and how they seek to exclude companies with business interests and activities that conflict with members' moral and ethical preferences (e.g. tobacco).
- 8.5.3. The Trustee will review its policy on non-financial matters on an annual basis.

### 9. Compliance

- 9.1. The IC requires all investment managers to confirm, through their reporting, that the investments are diversified and suitable, and that they have complied with the principles set out in this DC SIP. The Trustee will review this DC SIP annually and without delay after any significant change in investment policy and in addition, the default strategy and funds after any significant change in the demographic profile of members invested in these funds.
- 9.2. Consultation with participating employers will be undertaken if these investment principles change.
- 9.3. A common investment policy is offered to all employers, with the target date funds being offered as the default and members able to choose from a range of self-select options. Fact sheets on all the funds are available to members on TPT's website.

# Member-borne costs & charges



## Administration charges

Investment	AMC (pa)	Additional Charge (pa)*	Default
TDF	0.50%	0.03%	Yes
ETDF (post-99)**	0.63%	0.04%	Yes
ETDF (pre-99)**	0.50%	0.04%	Yes
Annuity Aware Fund	0.45%	N/A	No
Cash Fund	0.45%	N/A	Yes, for technical reasons
Global Equity Fund	0.45%	N/A	No
Index-Linked Gilts Fund	0.45%	N/A	No
Ethical Global Equity Fund	0.45%	N/A	No
Diversified Growth Fund***	0.52%	N/A	No
Property Fund***	1.00%	0.70%	No
Emerging Markets Equity	0.55%	NA	No
Global Corporate Bond	0.50%	NA	No
Global Impact Bond Fund	0.60%	0.00%	No
Global Impact Equity Fund	0.73%	0.00%	No
Islamic Global Equity Fund	0.45%	0.00%	No
Low Carbon Transition Global Equity	0.36%	0.00%	No
UK Equity Index Fund	0.30%	0.00%	No

\* These charges are deducted from members' funds in addition to the AMC. In respect of the default investment options, these charges are considered when ensuring adherence to the charge cap.

\*\* The higher charge for ETDFs reflects the additional screening required to ensure they meet the ethical standards required. Members who joined the Ethical Fund before 1999 pay a lower AMC of 0.5% a year because they paid a fixed price on joining the Fund (as required by the Rules at that time).

\*\*\* The higher charges associated with the Diversified Growth Fund and the Property Fund reflect the higher costs associated with actively managed funds. Other funds have a lower AMC than the default fund because AB's investment management charges do not apply for these investments.

### Transaction Costs

#### Target date funds (default investment)

The default investment is a Target Date Fund. Members are enrolled in a target date fund which matches their expected retirement date. For example, a member retiring in 2045 will be invested in the AB Retirement Fund 2044-2046 fund.

The underlying assets of the fund are moved between different investment funds as members approach their retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to retirement and in which fund they are invested.

For the period covered by this statement, annual charges and transaction costs are set out in the following tables:

#### Default arrangement charges and transaction costs

TDF Vintage	Admin Costs	Transaction Costs	Total Costs
AB Retirement Fund 2011-2013	0.5122%	0.1035%	0.6157%
AB Retirement Fund 2014-2016	0.5134%	0.1061%	0.6195%
AB Retirement Fund 2017-2019	0.5148%	0.1091%	0.6239%
AB Retirement Fund 2020-2022	0.5158%	0.1105%	0.6263%
AB Retirement Fund 2023-2025	0.5169%	0.1132%	0.6301%
AB Retirement Fund 2026-2028	0.5186%	0.1167%	0.6353%
AB Retirement Fund 2029-2031	0.5213%	0.1222%	0.6435%
AB Retirement Fund 2032-2034	0.5242%	0.1222%	0.6464%
AB Retirement Fund 2035-2037	0.5255%	0.1054%	0.6309%
AB Retirement Fund 2038-2040	0.5261%	0.0832%	0.6093%
AB Retirement Fund 2041-2043	0.5261%	0.0791%	0.6052%
AB Retirement Fund 2044-2046	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2047-2049	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2050-2052	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2053-2055	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2056-2058	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2059-2061	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2062-2064	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2065-2067	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2068-2070	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2071-2073	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2074-2076	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2077-2079	0.5262%	0.0786%	0.6048%

### Default arrangement charges and transaction costs

Ethical TDF Vintage	Admin Costs	Transaction Costs	Total Costs
AB Ethical Retirement Fund Pre 1999 (2011-2013)	0.5348%	0.0537%	0.5885%
AB Ethical Retirement Fund Post 1999 (2011-2013)	0.6648%	0.0537%	0.7185%
AB Ethical Retirement Fund Pre 1999 (2014-2016)	0.5377%	0.0531%	0.5908%
AB Ethical Retirement Fund Post 1999 (2014-2016)	0.6677%	0.0531%	0.7208%
AB Ethical Retirement Fund Pre 1999 (2017-2019)	0.5427%	0.0520%	0.5947%
AB Ethical Retirement Fund Post 1999 (2017-2019)	0.6727%	0.0520%	0.7247%
AB Ethical Retirement Fund Pre 1999 (2020-2022)	0.5453%	0.0517%	0.5970%
AB Ethical Retirement Fund Post 1999 (2020-2022)	0.6753%	0.0517%	0.7270%
AB Ethical Retirement Fund Pre 1999 (2023-2025)	0.5272%	0.0520%	0.5792%
AB Ethical Retirement Fund Post 1999 (2023-2025)	0.6772%	0.0520%	0.7292%
AB Ethical Retirement Fund Pre 1999 (2026-2028)	0.5288%	0.0539%	0.5827%
AB Ethical Retirement Fund Post 1999 (2026-2028)	0.6788%	0.0539%	0.7327%
AB Ethical Retirement Fund Pre 1999 (2029-2031)	0.5302%	0.0563%	0.5865%
AB Ethical Retirement Fund Post 1999 (2029-2031)	0.6802%	0.0563%	0.7365%
AB Ethical Retirement Fund Pre 1999 (2032-2034)	0.5325%	0.0567%	0.5892%
AB Ethical Retirement Fund Post 1999 (2032-2034)	0.6825%	0.0567%	0.7392%
AB Ethical Retirement Fund Pre 1999 (2035-2037)	0.5349%	0.0564%	0.5913%

AB Ethical Retirement Fund Post 1999 (2035-2037)	0.6849%	0.0564%	0.7413%
AB Ethical Retirement Fund Pre 1999 (2038-2040)	0.5274%	0.0542%	0.5816%
AB Ethical Retirement Fund Post 1999 (2038-2040)	0.6874%	0.0542%	0.7416%
AB Ethical Retirement Fund Pre 1999 (2041-2043)	0.5286%	0.0522%	0.5808%
AB Ethical Retirement Fund Post 1999 (2041-2043)	0.6886%	0.0522%	0.7408%
AB Ethical Retirement Fund Post 1999 (2044-2046)	0.6888%	0.0524%	0.7412%
AB Ethical Retirement Fund Post 1999 (2047-2049)	0.6889%	0.0525%	0.7414%
AB Ethical Retirement Fund Post 1999 (2050-2052)	0.6889%	0.0525%	0.7414%
AB Ethical Retirement Fund Post 1999 (2053-2055)	0.6889%	0.0525%	0.7414%
AB Ethical Retirement Fund Post 1999 (2056-2058)	0.6889%	0.0525%	0.7414%
AB Ethical Retirement Fund Post 1999 (2059-2061)	0.6889%	0.0525%	0.7414%
AB Ethical Retirement Fund Post 1999 (2062-2064)	0.6889%	0.0525%	0.7414%
AB Ethical Retirement Fund Post 1999 (2065-2067)	0.6889%	0.0525%	0.7414%
AB Ethical Retirement Fund Post 1999 (2068-2070)	0.6889%	0.0525%	0.7414%
AB Ethical Retirement Fund Pre 1999 (2071-2073)	0.5289%	0.0525%	0.5814%
AB Ethical Retirement Fund Post 1999 (2071-2073)	0.6889%	0.0525%	0.7414%
AB Ethical Retirement Fund Post 1999 (2074-2076)	0.6889%	0.0525%	0.7414%
AB Ethical Retirement Fund Post 1999 (2077-2079)	0.6889%	0.0525%	0.7414%



### Self-select investment arrangements

For the period covered by this statement, annual charges and transaction costs for the self-select investment options are set out in the table below:

Fund	Admin Costs	Transaction Costs	Total Costs
Global Equity	0.450%	0.0676%	0.5176%
Cash	0.450%	-0.2996%	0.1504%
Annuity Aware	0.450%	0.1225%	0.5725%
Index Linked Gilts	0.450%	0.1645%	0.6145%
Property	1.00%	0.5789%	1.5789%
Ethical Global Equity	0.4502%	0.0159%	0.4661%
Diversified Growth	0.5200%	-0.0005%	0.5195%
Islamic Global Equity	0.450%	0.0032%	0.4532%
Global Corporate Bond	0.50%	0.0000%	0.50%
Emerging Markets Equity	0.55%	0.0609%	0.6109%
UK Equity Index	0.30%	0.5268%	0.8268%
Global Impact Bond	0.60%	0.2930%	0.8930%
Low Carbon Transition Global Equity	0.36%	0.0920%	0.4520%
Global Impact Equity	0.73%	0.1593%	0.8893%



# Cumulative illustrations



## Default arrangement illustrations

### Notes

1. Project pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. The starting pot size is assumed to be £3,264 at age 16 for a member retiring at age 65.
3. Inflation is assumed to be at 2.5% each year.
4. Contributions are assumed to be paid at the end of each month from age 16 to 65 and increase in line with assumed earnings growth of inflation plus 1% each year on the anniversary of the first contribution. Initial contribution level is assumed to be £234 per month.
5. Values shown are estimates and are not guaranteed.
6. Charges are based on prudent historical average charges (as a percentage of the fund invested) including all member borne charges and underlying transaction costs. This is likely to overestimate the impact of these costs and charges as it is likely they will fall through time as the size of the plan grows and provision of administration and investment services to the plan becomes more efficient. Furthermore, we note that transaction costs incurred when buying and selling the TDF strategies has been included in this analysis, which is noted as optional for trustees and investment managers within the guidance provided by the DWP.
7. The projected future growth rate is 3.09% above inflation for the Ethical TDF and 3.29% above inflation for the TDF.
8. The provision of these outcomes on behalf of members assumes the provision of administration and investment services, as such the numbers shown for the accumulated fund allowing for investment returns but before the deduction of costs and charges is purely hypothetical and does not represent an achievable member outcome.
9. In addition, the trustee is required to provide value for money to members and as such it would be appropriate to assume that lower costs and charges would necessarily equate to better member outcomes i.e. that the assumed level of overall service to members, including the investment returns achieved, could be maintained at a lower cost.

## Ethical TDF

### Projected Pension Pot in Today's Money (as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,434	6,398
3	12,633	12,464
5	19,336	18,937
10	38,521	37,039
15	61,658	58,190
20	89,436	82,810
25	122,662	111,374
30	162,273	144,419
35	209,368	182,551
40	265,224	226,453
49	392,764	322,546



### TDF

#### Projected Pension Pot in Today's Money (as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,444	6,416
3	12,680	12,550
5	19,448	19,140
10	38,942	37,787
15	62,659	59,930
20	91,379	86,116
25	126,023	116,970
30	167,674	153,216
35	217,608	195,679
40	277,329	245,311
49	415,331	356,295

### Self-select arrangement illustrations

#### Notes

1. Project pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. The starting pot size is assumed to be £3,264 at age 16 for a member retiring at age 65.
3. Inflation is assumed to be at 2.5% each year.
4. Contributions are assumed to be paid at the end of each month from age 16 to 65 and increase in line with assumed earnings growth of inflation plus 1% each year on the anniversary of the first contribution. Initial contribution level is assumed to be £234 per month.
5. Values shown are estimates and are not guaranteed.
6. Charges are based on prudent historical average charges (as a percentage of the fund invested) including all member borne charges and underlying transaction costs. This is likely to overestimate the impact of these costs and charges as it is likely they will fall through time as the size of the plan grows and provision of administration and investment services to the plan becomes more efficient. Furthermore, we note that transaction costs incurred when buying and selling the TDF strategies has been included in this analysis, which is noted as optional for trustees and investment managers within the guidance provided by the DWP.

7. The projected future growth rates for the self-select options are as set out below:

- 7.1. Global Equity Fund: 2.44% above inflation
- 7.2. Global Corporate Bond Fund: 0.49% above inflation
- 7.3. Cash Fund: -1.46% above inflation
- 7.4. DGF: 0.49% above inflation
- 7.5. Index-linked gilts fund: 4.39% above inflation
- 7.6. Property fund: 2.44% above inflation
- 7.7. Ethical Global Equity Fund: 2.44%
- 7.8. Annuity Aware Fund: 2.44% above inflation
- 7.9. Emerging Markets Equity Fund: 2.44% above inflation
- 7.10. Global Impact Bond Fund: 0.49% above inflation
- 7.11. Global Impact Equity Fund: 4.39% above inflation
- 7.12. Islamic Global Equity: 2.44% above inflation
- 7.13. Low Carbon Transition Equity Fund: 2.44% above inflation
- 7.14. Money Market Fund: -1.46% above inflation
- 7.15. UK Equity Index Fund: 2.44% above inflation

8. The provision of these outcomes on behalf of members assumes the provision of administration and investment services, as such the numbers shown for the accumulated fund allowing for investment returns but before the deduction of costs and charges is purely hypothetical and does not represent an achievable member outcome.
9. In addition, the trustee is required to provide value for money to members and as such it would be appropriate to assume that lower costs and charges would necessarily equate to better member outcomes i.e. that the assumed level of overall service to members, including the investment returns achieved, could be maintained at a lower cost.



### Global Equity fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,378
3	12,477	12,368
5	18,966	18,710
10	37,146	36,214
15	58,438	56,296
20	83,279	79,260
25	112,164	105,442
30	145,654	135,218
35	184,384	169,001
40	229,072	207,251
49	327,186	289,020

### Global Corporate Bond Fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,302	6,277
3	12,018	11,903
5	17,901	17,638
10	33,364	32,466
15	49,954	48,024
20	67,737	64,346
25	86,781	81,472
30	107,159	99,441
35	128,946	118,295
40	152,222	138,079
49	198,143	176,180

### Cash fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,204	6,181
3	11,573	11,474
5	16,895	16,675
10	30,017	29,315
15	42,919	41,501
20	55,652	53,309
25	68,265	64,811
30	80,806	76,073
35	93,321	87,159
40	105,855	98,127
49	128,603	117,747



## DGF

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,302	6,276
3	12,018	11,899
5	17,901	17,628
10	33,364	32,431
15	49,954	47,949
20	67,737	64,216
25	86,781	81,269
30	107,159	99,149
35	128,946	117,896
40	152,222	137,553
49	198,143	175,375

## Index-linked gilts fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,499	6,476
3	12,949	12,834
5	20,092	19,816
10	41,423	40,349
15	68,687	66,050
20	103,347	98,055
25	147,220	137,744
30	202,556	186,792
35	272,152	247,230
40	359,474	321,523
49	575,701	500,117

## Property fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,350
3	12,477	12,237
5	18,966	18,405
10	37,146	35,121
15	58,438	53,826
20	83,279	74,703
25	112,164	97,952
30	145,654	123,789
35	184,384	152,447
40	229,072	184,178
49	327,186	249,927



### Ethical Global Equity Fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,378
3	12,477	12,368
5	18,966	18,710
10	37,146	36,214
15	58,438	56,296
20	83,279	79,260
25	112,164	105,442
30	145,654	135,218
35	184,384	169,001
40	229,072	207,251
49	327,186	289,020

### Annuity Aware Fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,378
3	12,477	12,368
5	18,966	18,710
10	37,146	36,214
15	58,438	56,296
20	83,279	79,260
25	112,164	105,442
30	145,654	135,218
35	184,384	169,001
40	229,072	207,251
49	327,186	289,020

### Emerging Markets Equity Fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,373
3	12,477	12,344
5	18,966	18,654
10	37,146	36,012
15	58,438	55,835
20	83,279	78,403
25	112,164	104,023
30	145,654	133,036
35	184,384	165,817
40	229,072	202,780
49	327,186	281,339



## Global Impact Bond Fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,302	6,272
3	12,018	11,880
5	17,901	17,586
10	33,364	32,291
15	49,954	47,651
20	67,737	63,697
25	86,781	80,466
30	107,159	97,993
35	128,946	116,316
40	152,222	135,475
49	198,143	172,206

## Global Impact Equity Fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,499	6,461
3	12,949	12,764
5	20,092	19,648
10	41,423	39,701
15	68,687	64,479
20	103,347	94,944
25	147,220	132,249
30	202,556	177,774
35	272,152	233,173
40	359,474	300,422
49	575,701	459,180

## Islamic Global Equity

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,378
3	12,477	12,368
5	18,966	18,710
10	37,146	36,214
15	58,438	56,296
20	83,279	79,260
25	112,164	105,442
30	145,654	135,218
35	184,384	169,001
40	229,072	207,251
49	327,186	289,020



### Low Carbon Transition Equity Fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,382
3	12,477	12,390
5	18,966	18,761
10	37,146	36,398
15	58,438	56,716
20	83,279	80,042
25	112,164	106,742
30	145,654	137,223
35	184,384	171,937
40	229,072	211,389
49	327,186	296,170

### Money Market Fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,204	6,169
3	11,573	11,420
5	16,895	16,555
10	30,017	28,936
15	42,919	40,743
20	55,652	52,070
25	68,265	63,003
30	80,806	73,622
35	93,321	83,998
40	105,855	94,200
49	128,603	112,318

### UK Equity Index Fund

Projected Pension Pot in Today's Money  
(as at 30 September 2023)

Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,385
3	12,477	12,404
5	18,966	18,795
10	37,146	36,521
15	58,438	56,998
20	83,279	80,569
25	112,164	107,621
30	145,654	138,582
35	184,384	173,932
40	229,072	214,208
49	327,186	301,065

# Investment returns

This section states the return, after the deduction of charges and transaction costs. It covers the default investment(s) and all self-select investment options, during the Trust year in which these investments were available for selection, and/or in which members' assets were invested during the Trust year.

## Default investment arrangements

The default investment is a Target Date Fund in which the underlying assets are moved between different investment funds (each with varying costs and performance) as members approach their retirement date. In short, this means the returns are age related in the default arrangement as follows:

Target Date Fund	Age of member in 2023 (years)	1 year (2023)	3 years (2020 to 2023)	5 years (2018 to 2023)
2041-2043 to 2077-2079	e.g. age 16 to 47	11.6%	7.8%	5.4%
2038-2040	e.g. age 50	10.3%	7.4%	5.2%
2035-2037	e.g. age 53	7.8%	6.1%	4.5%
2032-2034	e.g. age 56	6.8%	4.9%	3.8%
2029-2031	e.g. age 59	6.2%	4.1%	3.2%
2026-2028	e.g. age 62	5.7%	3.4%	2.8%
2023-2025	e.g. age 65	5.4%	2.5%	2.1%
2020-2022	e.g. age 68	5.4%	2.0%	1.8%
2017-2019	e.g. age 71	5.3%	1.8%	1.7%
2014-2016	e.g. age 74	5.4%	1.7%	1.7%
2011-2013	e.g. age 77	5.4%	1.8%	1.7%



# Investment returns



Ethical Target Date Fund	Age of member in 2023 (years)	1 year (2023)	3 years (2020 to 2023)	5 years (2018 to 2023)
2041-2043 to 2077-2079	e.g. age 16 to 47	12.9%	6.5%	5.6%
2038-2040	e.g. age 50	10.7%	4.0%	4.3%
2035-2037	e.g. age 53	9.4%	2.8%	3.7%
2032-2034	e.g. age 56	8.4%	2.0%	3.2%
2029-2031	e.g. age 59	7.9%	1.4%	2.9%
2026-2028	e.g. age 62	7.4%	1.2%	2.7%
2023-2025	e.g. age 65	6.6%	1.1%	2.4%
2020-2022	e.g. age 68	6.1%	0.8%	2.0%
2017-2019	e.g. age 71	5.9%	0.6%	1.7%
2014-2016	e.g. age 74	5.8%	0.6%	1.6%
2011-2013	e.g. age 77	5.6%	0.7%	1.6%

Performance data is included for 1, 3 and 5 year periods.

We have included age of member against each Target Date Fund but, for a given member, the actual relevant Target Date Fund will be determined by the member's Target Retirement Age.

## Self-select investment arrangements

For the self-select investment options there are no age-related returns. Returns over periods to Trust year end are as follows:

Fund Name	1 year (2023)	3 years (2020 to 2023)	5 years (2018 to 2023)
TPT Annuity Aware Fund	0.8%	-12.9%	-4.4%
TPT Cash Fund	3.6%	1.2%	0.8%
TPT Diversified Growth Fund	3.1%	1.8%	0.9%
TPT Ethical Global Equity Fund	13.9%	11.3%	9.1%
TPT Global Equity Fund	15.3%	9.1%	5.8%
TPT Index Linked Gilts Fund	-16.6%	-16.3%	-6.8%
TPT Islamic Global Equity	16.7%	-	-
TPT Property Fund	-15.8%	2.2%	-0.1%

Performance data is included for 1, 3 and 5 year periods