EXECUTIVE SUMMARY

Chair's Statement Regarding DC Governance

For the year ended 30 September 2021 (the "Trust year")

Contents

The Trustee is required to prepare an annual statement which covers:

Our detailed response to each of these areas is set out below.

Background

The Pensions Trust is the registered name of the occupational pension scheme governed by Rules effective from 1 November 2014, as amended (the "Trust"). The Trust is a "Master Trust", meaning it is a large pension scheme which can be used by many different employers. The Trustee of the scheme is a company called Verity Trustees Limited. The statutory directors of Verity Trustees Limited are known as Trustee Directors. The provider of the Trust is TPT Retirement Solutions (TPT). As at 30 September 2021 there were 283,965 members of the Trust.

The Pensions Trust attained formal Master Trust authorisation from the Pensions Regulator on 18 June 2019. All authorised Master Trusts are supervised by the Pensions Regulator to ensure quality and sustainability.

A number of parties support the Trustee with its functions, many of which are referred to in this statement. These include:

- Defined Contribution Oversight Committee (**DCOC**): responsible for overseeing the operation of all TPT's DC products and services.
- Investment Committee (**IC**): responsible for the selection of fund managers, ensuring the default strategy available is consistent with the investment objectives and ongoing oversight of the managers delegated to deliver the default strategy and the self-select funds.
- Investment Oversight Committee (**IOC**): responsible for oversight of the Investment Management function, including risk management and operations.
- Investment Management Team (**IMT**): the main point of contact for investment managers and consultants, and responsible for collating data to enable the IC to perform their oversight role.
- Investment Managers (**IM**): responsible for managing investments on behalf of the Trustee.
- Management Oversight Board (**MOB**): responsible for overseeing the operation of TPT and ensuring that the Trustee's delegates exercise the powers delegated to them appropriately.
- Executive Board (**EB**): the executives responsible for the day-to-day running of TPT.
- Audit, Risk & Compliance Committee (**ARCC**): responsible for, amongst other things, oversight of compliance with the requirements of the Pension Regulator (tPR) and overseeing the manner in which the TPT management ensures and monitors the adequacy and oversight of internal controls and risk management framework.

The Trustee must operate in accordance with the Rules of the Trust and within its terms of reference (which are included in the Governance Document).

Default investment arrangement

The Trustee invests contributions into a default investment arrangement unless members self-select an alternative investment offered by the Trustee.

Members are provided with a default investment arrangement from a range of Target Date Funds (**TDFs**). The specific TDF is based on a member's assumed normal retirement date (age 65), although members can set their own target retirement date. Similarly, a series of Ethical Target Date Funds (**ETDFs**) are available as the default option for members of The Ethical Fund (**TEF**). In the Trust year to 30 September 2021 over 94% of the Trust's DC members were invested in a default investment arrangement, of which 96% went into the TDFs and 4% went into the ETDFs.

Each TDF is designed and managed for the member saving to retire at their target retirement date. The aim is to maximise a member's retirement income/savings while taking account of their decreasing capacity to afford losses as they approach or pass their target date of retirement.

Each TDF will move progressively from riskier, growth–orientated assets, such as equities and property, into lower-risk, income protection–orientated assets, such as bonds, as it approaches and passes its target date.

Statement of investment principles (SIP)

A copy of the latest SIP is attached to this statement as Appendix 1.

The SIP sets out the principles governing how decisions about investments must be made. It sets out the Trustee's policy on such things as choosing investments, risk and return and how we take account of Responsible Investment and Climate Change considerations when making investment decisions.

The aims and objectives of the default investment arrangement are 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. In particular:

- Our aim is for each TDF to grow more in the earlier years and move towards a less risky asset allocation as the target retirement date (default or as selected by the member) approaches. Over the life of the TDF, the manager has the objective of out-performing inflation so that the investment grows in real terms.
- The Trustee designs the strategy of each TDF so that it is suitable for a member's own target retirement date. The Trustee believes that it is in the best interests of members to provide a default strategy made up of funds which reflect the amount of time left before the member's target retirement date. The Trustee further considers that the default strategy should not require the member to make investment choices or switch funds as he or she approaches retirement.
- The investments held in the default investment arrangement change over the life of each TDF so that they meet the specific performance and risk objectives of the TDF. The funds have a range of underlying securities under a long-term insurance contract and include a balance of:
  - return-seeking investments including a range of equity and property funds;
  - balanced investments and diversifiers including commodities; and
  - cautious investments including cash, corporate bonds and UK government bonds.
- The Trustee is committed to Responsible Investment, and believes that environmental, social and governance factors can impact financial performance. These are set out in TPT's Responsible Investment Framework which is available on the website.
- The Trustee is a signatory to the Principles for Responsible Investment and the UK Stewardship Code, as well as the Paris Aligned Investment Initiative. It also supports other industry-wide initiatives to promote responsible investment, such as the Institutional Investors Group on Climate Change (IIGCC).
- The Trustee's Climate Change Policy is a strategic part of its approach to being a responsible investor. The policy drives an understanding of exposure to climate change risks and opportunities at the portfolio level for DC investments, and it helps to ensure that new and existing investments are managed in a way that takes account of these risks. In 2021, the Trustee made a commitment to transition to net zero by 2050 or sooner.
- The Trustee is a member of the Paris Aligned Asset Owners Group. Alongside other major global asset owners with collective assets totalling $1.9tn, the Trustee has committed to achieving a net zero emission portfolio - helping to drive the transition to a low carbon economy - by 2050.
- We make ethical options (ETDFs) available in all of our DC arrangements. ETDFs invest in equity funds which track the FTSE4Good and MSCI Socially Responsible Investment (SRI) Indices, and have an allocation to corporate bonds (which are ethically screened) and UK government bonds. The IC keeps the investment strategy of the ETDFs under regular review and seeks to provide further diversification within these funds as alternative strategies become available at appropriate costs.

Review of the default strategy and performance of the default arrangement

The Trustee reviews the SIP annually and whenever there has been a significant change in investment policy.

This annual review is over and above the minimum statutory requirement for a review every three years. We do undertake a more formal triennial review, and the last such review took place on 6 May 2021.

At the triennial review in May 2021, the Investment Committee:

- reviewed the suitability of the default arrangements and their performance against the SIP objectives;
- considered the performance and quality of service of the investment manager (AllianceBernstein); and
- assessed the value for money provided by the investment costs and charges.

The Investment Committee concluded that:

- the default arrangements remain suitable for our members and their investment objectives are appropriate;
- AllianceBernstein is a suitable manager for the default options provided by TPT;
- The performance of the default arrangements has been reviewed and continues to be monitored; and
- The investment costs and charges incurred provide value for money

The Trustee has delegated the review of the SIP (and default investment strategies) to the IC and receives a report on these activities on an annual basis.

Changes to the SIP were agreed at the Investment Committee meeting held on 9 September 2021 and signed-off by the Trustee. The SIP was amended to reflect that the TPT Self-Select Cash Fund was no longer a default option. The TPT Self-Select Cash Fund had been temporarily designated as a default fund following the suspension of the Self-Select Property Fund in 2020.

The Trustee also undertakes an annual review of:

- the aims and objectives of the default strategies (summarised above) and policies;
- the performance of the default investment arrangements (and the self-select funds); and
- the extent to which strategy and returns are consistent with the aims and objectives.

The annual review processes involve various layers of delegated roles and responsibilities (further details are provided below). The culmination of the review process took place at an IC meeting on 6 May 2021.

The IMT monitors performance on an ongoing basis and reports to the IC, which formally monitors the performance of the default investment arrangements (and the self-select funds) each quarter in the Trust year, and reviews them annually in conjunction with the managers of the funds. The output of the annual review is reported back to the Trustee Board. This standard process was followed in full during the Trust year.

The IMT produces a paper that captures any material updates relating to both the default arrangements and self-select funds. In the Trust year this paper was dated 20 April 2021. A DC paper is produced by the IMT for each of the quarterly IC meetings and the formal papers for the Investment Strategy Review are prepared by AllianceBernstein ('AB'), TPT's investment managers, for the May Investment Committee meeting which is dedicated to DC related matters. In the Trust year, key papers included a 'TPT Stewardship Presentation' from AB, dated 6 May 2021.

The outcome of the annual review was that the investment objectives of the default fund remain appropriate given TPT's membership and the retirement outcomes experienced. A review of the self-select funds also took place and concluded that the existing range and providers of funds was appropriate.

Further to this process, the Trustee's annual review and assessment confirmed that performance was consistent with the aims and objectives of the default arrangement. No changes were considered necessary given that performance remained consistent with the aims and objectives, with all vintages outperforming their respective CPI+ benchmarks over the five years to 31 March 2021.

Administration (processing core financial transactions)

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

Core financial transactions

Key elements of administration are known as "core financial transactions" and include (but are not limited to):

- investment of contributions;
- transfer of members' assets to and from the Trust;
- switching between investments within the Trust; and
- payments out of the scheme to members/beneficiaries.

Service level agreement (SLA)

The administration of the DC Trust is outsourced to Mercer, a specialist third-party provider of pensions administration services. The Trustee requires the administrator to meet high standards through a SLA and Key Controls, which set out the range of services to be delivered and expectations around such things as timeliness and accuracy.

At each meeting, the Trustee receives reports from the MOB to help it monitor performance in line with the SLA and was very pleased to note that the aggregate SLA target of 95% was exceeded over all four quarters of the Trust year, despite the challenges posed by COVID-19.

In summary, our SLA with the administrator covers:

- The processing and creation of new member records, including the set-up of the default target dated fund for investments, within 5 working days from receipt of information.
- The processing of monthly contributions and fund switches with the investment manager within 24 hours of request.
- The percentage of calls answered and time taken to answer.
- The issuing of all member correspondence, including, but not limited to, general enquiries, transfer requests and retirement requests, within 5 working days from receipt of request.
- The production of annual benefit and Statutory Money Purchase Illustration (SMPI) statements. Typically this is within 3 months from the end of the Trust year, although it is worth noting that in 2020 and for part of 2021 there was an industry-wide relaxation in respect of issuing benefit statements due to the anticipated increase in administrative tasks such as retirements and deaths brought about by COVID-19, although this relaxation is no longer in force.
- The ongoing management of all member personal and financial data.
- The ongoing management of member online access.
- The processing of leaver information within 5 working days from receipt of information.
- Daily and monthly bank, unit and fund reconciliations.

- Monthly stewardship reporting and balanced scorecards.

In the Trust year, the Trustee used a mix of processes to monitor compliance with the SLA. In particular, the Trustee received monthly reports to monitor that the SLA was being met and to guard against issues arising. The processes adopted by the administrator to meet the SLA included daily monitoring of bank accounts, a dedicated contribution processing team, and two individuals checking all investment and banking transactions. Further processes included:

- Production of a 'Type 2' assurance report, adopting the framework provided by the Audit and Assurance faculty of the Institute of Chartered Accountants in England and Wales (ICAEW) in respect of Assurance reporting on Master Trusts (TECH 05/20 AAF Assurance Reporting on Master Trusts). This Type 2 report considers the design, description and operational effectiveness of the control procedures established by the Trustee over the reporting period. External auditors, Crowe UK LLP, tested TPT's controls for the period 1 April 2020 to 30 September 2021 including administrative processes, which are directly linked to tPR's Code of Practice 15, authorisation and supervision of Master Trusts.

TPT's Type 2 Report was supported by Mercer's AAF 01/06 pension administration report and Mercer's AAF 02/07 report, both covering the period 1 January 2020 to 31 December 2020. Bridging letters were obtained from Mercer covering the period from 1 January 2021 to 30 September 2021 confirming that these reports continued to provide a substantially accurate description of their internal controls and that the control activities described remain operationally effective.

- TPT's in-house Internal Audit function provided assurance to the Trustee, Audit, Risk and Compliance Committee (ARCC) and the Executive Board regarding the management of outsourced services.
- In the event of a significant issue arising this would be logged as a risk event and reported to the Risk Committee and subsequently to the ARCC.

Further, measures were taken to ensure no issues arose. In order to assure the Trustee that core financial transactions were processed promptly and accurately, and that standards of administration undertaken by Mercer were maintained, the following processes were undertaken in the Trust year:

- Monitoring of Mercer's administration services against SLAs and the extent to which member transactions had been processed on time. The DC Operations Manager monitored performance by reviewing the monthly administration report. Any anomalies were formally discussed during scheduled monthly meetings between TPT and Mercer. Any follow up actions were formally documented and tracked through to resolution.
- Reviewed capacity at Mercer and the level of resources available. Although resources were covered in the monthly meetings between TPT and Mercer, both parties discussed current activities and resource planning in scheduled weekly calls. Ad-hoc or unscheduled resource changes were highlighted to the DC Operations Manager as and when necessary.
- Annual reporting by Mercer to the Executive Board on the completeness and accuracy of common and conditional data. The 2021 data validation reports (certificates and summary) provided by Mercer included a common data score of 96%. Ongoing activity took place to continue to improve data quality.
- Monthly reviews of reconciliations of investment transactions and member units took place. Mercer undertook this activity on a daily basis but reported the findings within the monthly administration report, highlighting any discrepancies. Any discrepancies were accounted for with Mercer confirming the circumstances leading to the difference and the actions being taken to address these. All discrepancies were managed to resolution.
- Monthly audits were carried out by TPT's Quality Assurance team to review the core financial transactions that were originally processed by Mercer, including member investment allocations and other aspects of the DC investment cycle. Any issues raised by the annual audit were discussed as part of the monthly meetings between TPT and Mercer and escalated to the MOB as necessary.
- Annual review of the AAF 01/06 Pensions Administration and 02/07 Master Trust assurance reports prepared by Mercer, which were scrutinised by the TPT DC Team as part of TPT's own DC governance process and by the DCOC on behalf of the Trustee. The output was then reported to the Trustee Board.
- All monthly contributions and member data was collected by a dedicated employer support team within TPT. The process included verification by the employer that the contribution schedules submitted were correct, and verification by TPT that the contributions received met the contribution schedules. Any issues where standards were not being met are escalated to the Chief Operating Officer and the Executive Board for rectification and then reported to the MOB via the Administration report. If necessary the ARCC may also be notified of an issue.

Despite the COVID-19 pandemic we were able to ensure our business-as-usual service was maintained throughout the year by working closely with Mercer. We agreed to focus our attention as per tPR guidelines and in turn aligned resources to ensure there was no impact on day-to-day service. We also agreed to defer the delivery of annual benefit statements, and this continues whilst the pandemic creates an increased volume of queries from members.

Through monitoring the work volumes and in anticipation of a continued increase in requests for retirement and transfer quotes, as well as deaths, we worked with Mercer to secure additional resource to work on our account. This situation is being closely monitored and we continue to consider any further increase in resource or realignment of activities.

We are pleased to report that there have been no issues identified during the year that required reporting to tPR. There were therefore no outstanding issues to resolve at the end of the Trust year.

Based on the monitoring processes described above and the output from those processes, the Trustee believes that core financial transactions were processed promptly and accurately during the Trust year.

Member-borne costs and charges

In this section of the Statement, the Trustee has taken account of statutory guidance unless specifically stated.

Administration charges

In DC pension schemes, members typically pay charges for a range of services associated with scheme governance and management, investment, administration and communications. Charges are deducted as a percentage of member pots known as the annual management charge (AMC). The AMC has been designed so that it incorporates any fixed costs including platform charges.

Default investment arrangements

In the default investment arrangements, administration charges are as follows:

- TDFs: The AMC is 0.5% a year of the annual fund value and all funds are priced daily.
- ETDFs: The AMC is 0.63% a year of the annual fund value and all funds are priced daily.

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).

Self-select investment arrangements

The IC undertakes checks to help ensure that the charges of self-select funds are accurate and appropriate. The following AMCs apply:

Self-select Fund	AMC (pa)
Bond Fund	0.45%
Cash Fund	0.44%
Global Equity Fund	0.45%
Index-Linked Gilts Fund	0.45%
Socially Responsible Investment Fund	0.45%
Diversified Growth Fund	0.52%
Property Fund	1.00%

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.

In the interests of clarity and transparency the quoted AMC includes all fixed member charges, including the platform fee (where applicable). Any additional costs are excluded (these are described below).

Additional charges

For some funds, additional expenses are payable over and above the AMC. The additional expenses are payable on the TDFs, the ETDFs, the Property Fund and the Cash Fund. 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, and state the maximum level of expenses that TPT would expect to incur over the course of a year. Fund Fact Sheets detail the actual fund expenses charged over the previous quarter. Data in respect of additional charges is monitored by the IC in the quarterly reporting.

TPT has set an upper expectation on the costs that the investment managers can deduct from these funds as follows:

- TDF = 0.03%
- ETDF = 0.05%
- ETDF (pre-99) = 0.08%
- TPT Cash Fund = 0.01%
- Property Fund = 0.02%

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.

Transaction Costs

In all DC pension schemes, a further layer of cost is incurred when contributions are invested. Investments involve transactions such as buying, selling, lending and borrowing of investments and all of these transactions incur costs. Transaction costs are payable by members in addition to the AMC and the additional fund expenses described above.

Default arrangement

The default arrangement 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 tables below:

Default arrangement charges and transaction costs

TDF Vintage	Admin Costs	Transaction Costs	Total Costs
AB Retirement Fund 2011-2013	0.5052%	0.0839%	0.5891%
AB Retirement Fund 2014-2016	0.5052%	0.0839%	0.5891%
AB Retirement Fund 2017-2019	0.5053%	0.0837%	0.5890%
AB Retirement Fund 2020-2022	0.5064%	0.0832%	0.5896%
AB Retirement Fund 2023-2025	0.5095%	0.0820%	0.5915%
AB Retirement Fund 2026-2028	0.5194%	0.0787%	0.5981%
AB Retirement Fund 2029-2031	0.5236%	0.0750%	0.5986%
AB Retirement Fund 2032-2034	0.5275%	0.0711%	0.5986%
AB Retirement Fund 2035-2037	0.5321%	0.0454%	0.5775%
AB Retirement Fund 2038-2040	0.5334%	0.0170%	0.5504%
AB Retirement Fund 2041-2043	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2044-2046	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2047-2049	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2050-2052	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2053-2055	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2056-2058	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2059-2061	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2062-2064	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2065-2067	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2068-2070	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2071-2073	0.5335%	0.0170 %	0.5505%
AB Retirement Fund 2074-2076	0.5335%	0.0170%	0.5505%
AB Retirement Fund 2077-2079	0.5335%	0.0170 %	0.5505%

Ethical TDF Vintage	Admin Costs	Transaction Costs	Total Costs
AB Ethical Retirement Fund Pre 1999 (2011-2013)	0.5256%	0.0563%	0.5819%
AB Ethical Retirement Fund Post 1999 (2011-2013)	0.6556%	0.0563%	0.7119%
AB Ethical Retirement Fund Pre 1999 (2014-2016)	0.5293%	0.0535%	0.5828%
AB Ethical Retirement Fund Post 1999 (2014-2016)	0.6593%	0.0535%	0.7128%
AB Ethical Retirement Fund Pre 1999 (2017-2019)	0.5319%	0.0521%	0.5840%
AB Ethical Retirement Fund Post 1999 (2017-2019)	0.6619%	0.0521%	0.7140%
AB Ethical Retirement Fund Pre 1999 (2020-2022)	0.5338%	0.0513%	0.5851%
AB Ethical Retirement Fund Post 1999 (2020-2022)	0.6638%	0.0513%	0.7151%
AB Ethical Retirement Fund Pre 1999 (2023-2025)	0.5199%	0.0483%	0.5682%
AB Ethical Retirement Fund Post 1999 (2023-2025)	0.6699%	0.0483%	0.7182%
AB Ethical Retirement Fund Pre 1999 (2026-2028)	0.5265%	0.0459%	0.5724%
AB Ethical Retirement Fund Post 1999 (2026-2028)	0.6765%	0.0459%	0.7224%
AB Ethical Retirement Fund Pre 1999 (2029-2031)	0.5316%	0.0437%	0.5753%
AB Ethical Retirement Fund Post 1999 (2029-2031)	0.6816%	0.0437%	0.7253%
AB Ethical Retirement Fund Pre 1999 (2032-2034)	0.5353%	0.0444%	0.5797%
AB Ethical Retirement Fund Post 1999 (2032-2034)	0.6853%	0.0444%	0.7297%
AB Ethical Retirement Fund Pre 1999 (2035-2037)	0.5390%	0.0443%	0.5833%
AB Ethical Retirement Fund Post 1999 (2035-2037)	0.6890%	0.0443%	0.7333%
AB Ethical Retirement Fund Pre 1999 (2038-2040)	0.5331%	0.0449%	0.5780%
AB Ethical Retirement Fund Post 1999 (2038-2040)	0.6931%	0.0449%	0.7380%

Ethical TDF Vintage	Admin Costs	Transaction Costs	Total Costs
AB Ethical Retirement Fund Pre 1999 (2041-2043)	0.5366%	0.0477%	0.5843%
AB Ethical Retirement Fund Post 1999 (2041-2043)	0.6966%	0.0477%	0.7443%
AB Ethical Retirement Fund Post 1999 (2044-2046)	0.6983%	0.0257%	0.7240%
AB Ethical Retirement Fund Post 1999 (2047-2049)	0.6985%	0.0257%	0.7242%
AB Ethical Retirement Fund Post 1999 (2050-2052)	0.6985%	0.0257%	0.7242%
AB Ethical Retirement Fund Post 1999 (2053-2055)	0.6985%	0.0257%	0.7242%
AB Ethical Retirement Fund Post 1999 (2056-2058)	0.6985%	0.0257%	0.7242%
AB Ethical Retirement Fund Post 1999 (2059-2061)	0.6985%	0.0257%	0.7242%
AB Ethical Retirement Fund Post 1999 (2062-2064)	0.6985%	0.0257%	0.7242%
AB Ethical Retirement Fund Post 1999 (2065-2067)	0.6985%	0.0257%	0.7242%
AB Ethical Retirement Fund Post 1999 (2068-2070)	0.6985%	0.0257%	0.7242%
AB Ethical Retirement Fund Pre 1999 (2071-2073)	0.5385%	0.0513%	0.5898%
AB Ethical Retirement Fund Post 1999 (2071-2073)	0.6985%	0.0513%	0.7498%
AB Ethical Retirement Fund Post 1999 (2074-2076)	0.6985%	0.0257%	0.7242%
AB Ethical Retirement Fund Post 1999 (2077-2079)	0.6985%	0.0257%	0.7242%

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%	0.0387%	0.4887%
Cash	0.450%	-0.0241%	0.4259%
Bond	0.450%	0.0493%	0.4993%
Index Linked Gilts	0.450%	0.0365%	0.4865%
Property	1.010%	0.3446%	1.3546%
SRI	0.450%	0.0198%	0.4698%
Diversified Growth*	0.5342%	-0.0032%	0.5310%

Further information

Transaction costs are the costs incurred as a result of the buying, selling, lending or borrowing of investments. These costs mainly arise as a result of delivering a fund's target investment return. As an example, a fund may need to buy or sell assets when customers pay money into or take money out of the fund. These actions incur costs.

Transaction costs arise as a result of participating in a financial market and so are separate from any product-level administration charges and any AMC. The transaction costs for buying or selling an investment include all costs incurred from the point an order to transact is received, to the point at which the transaction completes. These costs include all charges, commissions, taxes and other associated payments incurred directly or indirectly.

Transactions costs must be disclosed at the overall level which will include explicit and implicit transaction costs.

Explicit transaction costs include taxes, explicit fees and charges, and costs in connection with securities lending and borrowing.

Implicit transaction costs relate to the difference in the price of an asset for which it might be bought if it were being sold, or other costs which may require judgement to assess.

Transaction costs for workplace pensions must be calculated according to the FCA's 'slippage cost' methodology. The FCA approach calculates a difference between the value of an asset and the price paid and includes both explicit and implicit costs.

To capture the implicit costs of buying and selling, slippage compares the price at execution (execution price) against a fair value price when the order to transact enters the market (arrival price) after allowance is made for the explicit costs which are incurred.

In the scheme year we are satisfied that we were able to obtain the relevant transaction costs information. The process used to obtain this information will be used in future, with any due alteration.

Cumulative Illustrations

Trustees are required to present the costs and charges typically paid by a member as a "pounds and pence figure". The Department of Work and Pensions (DWP) has prepared a sample table for this purpose which is set out in Appendices 2 and 3, duly adapted and populated in accordance with the DWP guidance using our scheme-specific information.

The information in these tables is only intended to be illustrative and members should exercise caution before relying on this information for the purposes of making decisions about savings, investment and retirement choices. In particular, the values shown are estimates based on a number of assumptions and are not guaranteed. Members should refer to the Member Guide for their scheme for more context about the characteristics (as opposed only to cost) of investment options and take independent financial advice as appropriate when making decisions.

We have presented information for all of our investment funds. Assumptions used in the illustrations differ to those adopted by way of example by the DWP. This is because, in line with the DWP guidance, these assumptions (about such things as average member pot size) are representative of the Scheme's circumstances and member demographics.

Default arrangement illustrations

These illustrations cover the TDF and ETDF (based on post-99 fund charges). They do not cover the cash fund.

See appendix 2.

Self-select arrangement illustrations

See appendix 3.

Value for members

The Trustee believes that, in the Trust year, the charges and transaction costs incurred by its members represent good value for members.

Report

The Trustee carried out a value for money assessment in February 2022, covering the year ending 30 September 2021 and a formal report was approved by the Trustee on 24 March 2022.

The purpose of this report was to assess the value for members of the DC arrangements within TPT in relation to the costs members pay in return for the benefits and services they receive.
In addition, data and information has been collated from mostly publicly available sources on TPT's main 'comparator' Master Trusts. The report can be accessed via the TPT website.

Charges and Transaction Costs

The Trustee believes that the charges members pay for these services are reasonable compared with its 'comparators'. The vast majority of TPT members (who use the default TDFs) pay a member charge of 0.50%. This compares favourably with those comparators that have a 'standard' charge (including those that have 'combination' charges, with an AMC and some form of contribution or flat rate charge). It is not possible to make a meaningful comparison against those schemes that price each employer individually.

Considerations

The table below sets out an explanation of how we have assessed value (i.e. our criteria) and exactly why we have formed this belief based on the following areas considered in the formal report.

Criteria	Notes / Conclusions
Trust Governance & Management	The Trustee believes that TPT provides: • a good range of services both directly to members, and in the day-to-day running and governance of the Trust; and • a robust and independent governance structure which focuses on improving member outcomes. Evidence to support this conclusion includes: **Trustee assessment** The Trustee undertakes an annual appraisal process, feedback and training to ensure that all the Trustee Directors are performing well in their role. **Member Complaints / Disputes** Over the 12 month period to 30 September 2021, from its DC membership of c. 284,000 TPT received 13 formal complaints under the internal dispute resolution procedure about service in the DC Scheme. Three of these complaints were referred to the Appeals and Discretions Committee. Three complaints were referred to the Pensions Ombudsman in respect of TPT's DC schemes over the reporting period.
Trust Administration	The Trustee believes that the performance of these services is appropriately monitored, and the actual performance has been very good. Evidence to support this conclusion includes: • The Trust exceeded its SLAs in administration and performance objectives for investments. • Over the 12 month period to 30 September 2021, Mercer's average performance against its SLA was over 98%. • Common Data, which is data applicable to all pension schemes, is at 96% (against a target of 100%) and further updates are scheduled to continue to improve the quality of data held.
Investment (fund management and performance)	**Default** The Trustee believes that: • the default investment arrangement is suitable for the majority of its members and incorporates a well-designed investment glide path to retirement. • TDFs provide significantly more investment flexibility and future-proofing than a Lifestyle approach and; • the default investment options are performing in line with expectations. • Evidence to support this conclusion includes: • TDFs for 'younger' members have a performance expectation of CPI + 4% over the life of the fund. This performance expectation reduces as members approach retirement age, to CPI + 0%. As of 30 September 2021, all TDFs have outperformed their respective benchmarks over the past 5 years. **Self-select** 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. The Trustee does not consider that this range of self-select funds detracts from value for members simply because the range is less extensive than that offered by a number of comparator schemes. In other Master Trusts, the extent of member take-up of these additional wider options is unlikely to be high.

Member Communication & Engagement	The Trustee believes that it: • provides engaging member communications; • continually assesses and reviews the DC offering to members; • is committed to improving member communications in the future; and • is committed to understanding member needs. Evidence to support this conclusion includes: • TPT operates a dedicated ring-fenced customer service centre for all DC members to call and speak to a TPT scheme expert. • Online access to individual records. • TPT provides a dedicated DC member website, where members can access information about their scheme, as well as more general information and educational material. • Helplines – TPT and Mercer operate helplines for members during office hours (8.30am-5.00pm). • Online enquiry portal – Members can contact the TPT team at Mercer via a dedicated online portal, 'Contact TPT'. Through Contact TPT, members can submit enquiries and upload relevant documents. • TPT has partnered with Mercer to provide members with an 'at retirement' service in respect of annuities and income drawdown options. Members are offered a two-tier service with a pricing structure to reflect the level of advice given. Members can use Mercer's service or their own independent financial adviser. Members who choose not to use any such service are still given details of the choices available to them, have the option to obtain guidance from one of Mercer's relationship managers (without charge) and are offered the use of an online facility, the Pensions Calculator (without charge), to assist them to make appropriate retirement choices. • TPT undertakes ongoing customer satisfaction surveys with its members. These surveys allow TPT to monitor the perceived quality and service that members are receiving and to identify areas for improvement. • Feedback from members is reviewed on a monthly basis to identify any recurring themes or new issues that may have arisen. • The annual Value for Members report.

Value for members is an evolving assessment. The Trustee wants to ensure good value relative to other forms of saving and investment (especially DC pension saving). We will continue to work towards improvements in value over time.

Investment returns

This section states the return, after the deduction of charges and transaction costs. It covers the default arrangement(s) and all self-select investment options, during the Trust year:

- which were available for selection; and / or
- in which members' assets were invested

The default arrangement 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 2021 (years)	5 years (2016 to 2021)	3 years (2016 to 2021)	1 year (2021)
2038 – 2040 to 2068 – 2073	e.g. age 49 to 16	10.0%	8.9%	24.5%
2035 - 2037	e.g. age 52	9.6%	8.4%	22.3%
2032 - 2034	e.g. age 55	8.2%	7.2%	17.9%
2029 - 2031	e.g. age 58	6.8%	6.2%	15.1%
2026 - 2028	e.g. age 61	5.6%	5.3%	12.7%
2023 - 2025	e.g. age 64	4.3%	3.9%	8.8%
2020 - 2022	e.g. age 67	3.5%	3.3%	7.1%
2017 - 2019	e.g. age 70	3.0%	3.2%	6.3%
2014 - 2016	e.g. age 73	2.8%	3.2%	6.2%
2011 - 2013	e.g. age 76	2.8%	3.2%	6.2%

Returns for periods greater than one year are annualised. Please note, we do not have available data beyond 5 years because we have not been required to record this data previously– so performance data is included for 5, 3 and 1 year periods.
We have included an illustrative 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.

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

Fund name	5 years (2016 to 2021)	3 years (2016 to 2021)	1 year (2021)
Global Equity	10.4%	8.9%	26.1%
Cash	0.0%	0.0%	-0.4%
Bond	2.0%	4.6%	-5.2%
Index Linked Gilts	2.8%	6.1%	-0.2%
Property	3.2%	1.0%	10.6%
SRI	12.7%	11.7%	24.3%
Diversified Growth	2.4%	3.8%	12.7%

Returns for periods greater than one year are annualised. Please note, we do not have available data beyond 5 years because we have not been required to record this data previously – so performance data is included for 5, 3 and 1 year periods.

Trustee knowledge & understanding

The Pensions Act 2004 requires the Trustee to possess, or have access to, sufficient knowledge and understanding to run the Trust effectively. The Trustee recognises the importance of having the right mix of skills, competencies and personalities on the Trustee Board to ensure that the Trust is well governed and properly managed.

All Trustee Directors are required to complete the Pensions Regulator's Trustee Toolkit prior to appointment and to provide evidence of completion. New Trustee Directors must also demonstrate that they meet the 'Fit and Proper' requirements for the purposes of Master Trust Authorisation before appointment.

In particular, the Trustee Directors are required to demonstrate:

- a working knowledge of the Rules;
- a working knowledge of the current SIP;
- a working knowledge of all documents setting out the Trustee's current policies;
- that they have sufficient knowledge and understanding of the law relating to pensions and trusts;
- that they have sufficient knowledge and understanding of the relevant principles relating to the funding and investment of occupational schemes; and
- that their combined knowledge and understanding, together with available advice, enables them to properly exercise their functions.

How we have met requirements

In each Trust year, the Trustee is required to demonstrate its knowledge and understanding in these areas as follows:

- All Trustee Directors are required to read and understand the Governance Document which includes details of all of the Trust's governance arrangements, including the Conflicts of Interest Policy. The Scheme Governance Document is reviewed annually with the last review taking place in December 2021.
- All Trustee Directors are required to devote sufficient time to training in addition to training provided at Trustee and committee meetings. They are responsible for their own training programme and for completing tPR's Trustee Toolkit.

The following paragraphs describe how the Trustee met the requirements in the Trust year.

The Trustee has access to the services of a range of professional advisors. All Trustee decisions are supported by professional advice where required, and this includes attendance of professional advisors at Trustee meetings. The Trustee's legal advisor attends each Trustee meeting (supporting a working knowledge of the Rules and the law relating to pensions and trusts) and the investment advisor attends all Investment Committee meetings (supporting a working knowledge of the relevant principles of funding and investment of occupational pension schemes).

TPT maintains a log of training undertaken by the Trustee (collectively and individually) and organises training sessions as and when necessary. All Trustee Directors met or exceeded their specified training requirement to undertake a minimum of 25 hours' Trustee training within the Trust year.

The Trustee has received confirmation from each Trustee Director that they have completed the required amount of training during the year. Each new Trustee Director has also provided evidence that they have completed the Trustee Toolkit. This confirmation and evidence is recorded with each Trustee Director's appointment letter.

Review of the SIP (described earlier in this statement) was undertaken with professional advisors which supports a working knowledge of the document.

Induction for new trustees

A comprehensive induction process is in place for all new Trustee Directors. They are required to meet the Trustee Knowledge and Understanding Standards required of a trustee of a large Master Trust plus any requirements specific to their individual role on the Trustee Board, as described in the Trustee's Terms of Reference (which are included in the Governance Document). The Trustee has received confirmation from the Trustee Directors that this was the case in the Trust year.

No new Directors were appointed in the Trust year ended 30 September 2021

Training

The Trustee follows an annual training programme to ensure all Trustee Directors have appropriate knowledge and understanding. In the Trust year, the Trustee undertook a range of training including:

- DC Investment Governance;
- DC Code of Practice 13 – Scheme Management skills;
- Industry trends and market analysis, including ESG;
- Responsible Investment; and
- Cybersecurity.

This training covers some of the major developments in the law of pensions and trusts and feeds into a working knowledge of relevant current policies.

The training programme is reviewed regularly by the Trustee Board to ensure it is up to date, and that any knowledge gaps are identified. To achieve this, each Trustee Director carries out a self-evaluation during the Trust year. 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.

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 put in place a rolling programme to ensure gaps are filled promptly. In the year ahead, the Trustee will be receiving training on (amongst other things):-

- Pension Schemes Act 2021

This training will address the knowledge gaps identified in the previous Trust year. Any further knowledge gaps are identified by rolling assessment.

Assessment

The combined knowledge and understanding of the Trustee and its advisors enabled the Trustee to run the Trust properly, in the Trust year, as follows:

- Trustee Directors were able to challenge and question advisors, committees and other delegates effectively.
- Trustee decisions were made in accordance with the Rules and in line with trust law duties.
- Trustee Directors' decisions were not compromised by, for example, conflicts or hospitality arrangements.

In 2021 the Trustee Board engaged a third party, Independent Audit, to undertake a Trustee Board Effectiveness Review. This included observing meetings of the Trustee Board and its Committees, reviewing meeting packs and individual interviews with Board and Committee members and TPT staff.

The results of the review were reported to the Trustee Board in September 2021. The report concluded that the Trustee Board had strong foundations for working effectively, a clear commitment from all involved, a good mix of experience and strong support from the management team. It was also noted that there was a great deal of respect for the Board and Committee Chairs and that meetings were working well.

The report also made some recommendations for improvement which will be implemented during 2022.

At the end of the Trust year, each Trustee Director's performance is normally reviewed as part of a formal appraisal process which identifies training gaps and informs the individual and group training programme for the forthcoming year. The 2021 appraisal process was deferred to allow time for the Board Effectiveness Review to be undertaken. Meetings are due to take place with all Trustee Board members in early 2022 to discuss and agree their training requirements for the next year.

Having considered actions taken individually as Trustee Directors and collectively as a Trustee, and the professional advice available, I am confident that the combined knowledge and understanding of the Trustee Directors enables us to properly exercise our functions as Trustee.

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

There are nine Trustee Directors of Verity Trustees Limited. Three were nominated by the members, three were nominated by the employers and three, including the Independent Chair, were co-opted onto the Trustee Board by the member and employer-nominated Trustee Directors.

In determining whether a Trustee Director is non-affiliated we have taken account of the detailed legal requirements (in summary):

- employment or similar relationships with service providers (or connected businesses) in recent times; and
- any payments made or received and any more general conflicts of interest.

We monitor non-affiliated status by way of 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.

On the basis of the non-affiliation test (summarised above), the terms of appointment and our ongoing monitoring, we are 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.

A selection process for Member-Nominated Directors (MNDs) and Employer-Nominated Directors (ENDs) is usually held every two years and was due to take place in 2021. However, this was postponed due to the uncertainty caused by COVID-19, in particular concerns that it would limit the number of candidates and that social distancing measures might hinder the appointment process.

No new MNDs and ENDS were appointed during the Trust year. An appointment process to select two MNDs and one END will take place during 2022, with the successful candidates taking office from 1 October 2022. The following open and transparent recruitment process will be followed:

- A communication to be issued to all members and employers inviting them to nominate candidates.
- Nomination in accordance with the rules. A nominee is entitled to stand as a MND candidate if they are a member of The Pensions Trust or The Pensions Trust 2016. Self-nomination is permitted. An employer may nominate only one person as an END candidate. A nominee need not be a member or work for an employer to stand as an END candidate. There cannot be more than one employee of a participating employer on the Trustee Board at any one time. Subject to satisfactory performance, an assessment of the collective skills requirements of the Trustee Board, the maximum period of service of 10 years and the agreement of the Chair, retiring ENDs and MNDs are eligible to stand for re-selection.
- New candidates will be required to complete an application form. Existing ENDs and MNDs that are eligible to stand for re-appointment will not be required to complete an application form.

- The Trustee Board'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 will be a two stage interview process. Existing ENDs and MNDs that are eligible for re-appointment will automatically be shortlisted for second interview.
- The composition of the first stage interview panel will depend upon whether the candidate has been nominated by the member or the employers. Each interview panel will comprise three people as follows:
  - One representative of the TPT Executive Board;
  - One current MND/END as appropriate to the panel in question; and
  - One further Director or member of the Management Oversight Board
- The output from the first stage interviews will be reviewed by the Remuneration and Appointments Committee (RAC) and cross-referenced against any identified skills gaps. The RAC will then shortlist candidates for second interview.
- The second interviews will conducted by a panel comprising:
  - The Chair of the Trustee Board;
  - The Senior Nominated Director;
  - The Chief Executive; and
  - A representative chosen from amongst the members/from amongst the representatives put forward by employers, as appropriate to the panel in question.
- The second stage interview panel will recommend the preferred candidates for appointment to the RAC, who will subsequently make a recommendation to the Trustee Board.

In our view, the process used meets the requirements for openness and transparency because the vacancies will be widely advertised amongst those people eligible under the Rules to apply; and past experience is that applications are submitted by a variety of eligible candidates and appointments are made on the basis of the competencies set out in the job description, which is available to candidates.

This differs from examples of open and transparent processes set out in legislation because of the circumstances of the Trust. In particular:

- the Trustee Directors are responsible for defined benefits as well as DC (and the 'open and transparent' process applies only to DC schemes), so we need to consider all elements of the Trust in the appointment process; and
- the Rules require an equal number of MNDs and ENDs. Furthermore, MNDs must be members of TPT, which limits the pool of candidates for these vacancies.

We recognise that an open and transparent process can also include advertisement of the vacancy for a Trustee Director in at least one appropriate national publication, engagement of the services of a recruitment agency to assist in the selection of candidates, or a nomination and selection procedure by some or all of the members. These methods are adopted for the recruitment of co-opted directors, including the Chair of the Trustee Board.

Member Feedback

The Trustee is always pleased to hear the views of the members and encourages them (or their representatives) to make their views about the Trust known.

Arrangements in place in the Trust year to provide feedback included actively gathering feedback on a monthly basis through surveys undertaken by an independent provider (the results of which were fed back to the management team to enable TPT to identify problems and make service improvements). At the beginning of each year, TPT defines the outcomes that it wants for its members and uses the member feedback gathered each month to continuously measure, modify and improve services.

In addition, members can:

- raise concerns or queries, using the contact details provided about the operational processes of the Trust (contact details being provided in an annual newsletter and annual benefit statement); and
- use an "Ask the Trustees" function on TPT's website, to submit a question to the Trustee and receive an individual response.

Our use of different means of communication shows that we have designed the process with the size, nature and demographic of the Trust membership in mind.

There are c284,000 scheme members, making this a very large Trust in relative terms. We consider email the most effective means of obtaining member feedback. The dedicated email address for members to make their views known is tptenquiries@mercer.com and this is provided to members in routine communications.

This DC Governance Statement was approved and signed for and on behalf of the Trustee on 24 March 2022.

Joanna Matthews

Independent Chair, Verity Trustees Limited

Appendix 1

Trustee Statement of Investment Principles Defined Contribution Elements

Reviewed by the Investment Committee: 9 September 2021

Approved by the Trustee Board: 14 October 2021

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. In light of the Covid-19 pandemic, Legal & General Investment Management, the investment manager of the Self-Select TPT Property Fund, suspended all trading in the fund between March and October 2020. During this period, members' contributions were diverted to the TPT Cash Fund and remained in the TPT Cash Fund, unless members elected otherwise. In line with applicable law and the Pensions Regulator's guidance the TPT Cash Fund therefore became a 'default arrangement'. The Trustee is acknowledged the change of status of the TPT Cash Fund, and expects the Cash Fund to fulfil the same role should other self-select funds be suspended.

1.4. 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 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 TPT Cash Fund currently has a benchmark of 7-day LIBID, to be replaced with SONIA on 30 September 2021. 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.

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 risk 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 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

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.

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 non-financial matters

8.1. Introduction

8.1.1. The Investment Regulations require that trustees disclose their policies in relation to:

a) 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;

b) the exercise of the rights (including voting rights) attaching to the investments;

c) 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

d) 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. Responsible Investment 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. Our monitoring process for asset managers is robust and we monitor performance and the manager's remuneration on an ongoing basis which allows us 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, ESG Integration 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.

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 this SIP 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.

8.2.16. The Trustee has developed an approach to ensure that climate change risk, including physical, regulatory and transition risks are more explicitly considered through the investment process, from portfolio construction through to asset allocation. It is a strategic part of our approach of being a responsible investor and has three pillars:

a) **Understanding the exposure of our investments to climate change.** The Trustee will review the carbon risk at both the over-arching portfolio and underlying fund level on a regular basis to understand where risks might arise. This review may include carbon foot-printing, scenario analysis and the use of other metrics. Where appropriate, this analysis will be used to inform our long-term investment strategy and also to meet the disclosure requirements that the Trustee has committed to by signing the Montreal Pledge. The Trustee is also committed to working towards compliance with the recommendations made by the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD) and will use the guidance it sets out for asset owners as the framework for reporting on climate change.

b) **Making sure that new and existing investments are managed in a way that takes account of climate change risks and opportunities.** The Trustee incorporates climate change expectations and reporting requirements into new mandates where appropriate and makes sure this is part of on-going manager monitoring and reporting. The Trustee will actively encourage its managers to consider reporting in line with the FSB TCFD recommendations.

c) **Actively engage with the wider investment community and policy makers on climate change.** The Trustee is an active member of the Institutional Investors Group on Climate Change (IIGCC) and is leading efforts in the Investor Practices programme that aim to share best practice on climate change risk analysis amongst asset managers and asset owners.

8.2.17. 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

8.2.18. 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.

8.2.20. 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.

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

8.2.22. 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.

8.2.23. 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.

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

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

Governance Factors

8.2.26. The Trustee will assess companies in its portfolio of assets for breaches of generally recognised responsibilities and norms under the United Nations Global Compact and UN treaties and for other behaviours which are deemed unsustainable, considering the risks specific to the relevant sector(s) in which the company operates. The Trustee may use one or more external screening agent(s) to assist in this review.

8.2.27. 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 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 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 its 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:

a) **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 on 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.

b) **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.

c) **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 Institutional Investors Group on Climate Change (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), the Financial Reporting Council's (FRC) UK Stewardship Code 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 Responsible Investment 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 and their views in relation to social and environmental impact and 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.

Appendix 2

Default arrangement illustrations

Notes to the default arrangement cumulative illustrations

1. This section relates to the TDF and Ethical TDF default arrangements. The TPT Cash Fund, although a technical default fund, is included as part of the self-select fund range.
2. Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
3. The starting pot size is assumed to be £3,158 at age 22 for a member retiring at age 68.
4. Inflation is assumed to be 2.5% each year.
5. Contributions are assumed to be paid at the end of each month from age 22 to 68 and increase in line with assumed earnings inflation of CPI plus 1.0% each year on the anniversary of the first contribution.
6. Initial contribution level is assumed to be £200 per month (inclusive of employer contributions, member contributions and tax relief).
7. Values shown are estimates and not guaranteed.
8. Charges are based on a prudent historical average of 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 the 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.
9. The projected future growth rate is 2.24% above inflation for the TDF and 2.05% above inflation for the ETDF.
10. 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.
11. In addition, the trustee is required to provide value for money to members, and as such it would be inappropriate 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.

TDF

Projected Pension Pot in Today's Money (as at 30 September 2021)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	5,981	5,955
3	11,650	11,527
5	17,965	17,671
10	37,014	35,872
15	61,697	58,883
20	93,499	87,819
25	134,292	124,048
30	186,429	169,248
35	252,869	225,472
40	337,337	295,241
46	469,171	401,233

We have not prepared a separate illustration for each investment stage for the target date funds as per DWP guidance, but have instead provided an illustration which corresponds with the other illustrations in this statement. We consider that to be a more helpful and understandable approach for our members.

Ethical TDF

Projected Pension Pot in Today's Money (as at 30 September 2021)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	5,972	5,937
3	11,607	11,445
5	17,861	17,476
10	36,606	35,130
15	60,685	57,083
20	91,444	84,242
25	130,562	117,704
30	180,133	158,784
35	242,764	209,072
40	321,709	270,479
46	443,748	362,115

We have not prepared a separate illustration for each investment stage for the target date funds as per DWP guidance, but have instead provided an illustration which corresponds with the other illustrations in this statement. We consider that to be a more helpful and understandable approach for our members.

Appendix 3

Self-select arrangement illustrations

Notes to the default and self-select cumulative illustrations

1. Projected 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 £3,158 at age 22 for a member retiring at age 68.
3. Inflation is assumed to be 2.5% each year.
4. Contributions are assumed to be paid at the end of each month from age 22 to 68 and increase in line with assumed earnings inflation plus 1.0% each year on the anniversary of the first contribution.
5. Initial contribution level is assumed to be £200 per month (inclusive of employer contributions, member contributions and tax relief).
6. Values shown are estimates and not guaranteed
7. Charges are based on a prudent historical average of 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 the 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.
8. The projected future growth rates for the self-select options are as set out below:
   - 8.1. Global Equity Fund: 2.93% above inflation
   - 8.2. Bond Fund: 0.49% below inflation
   - 8.3. Cash Fund: 1.46% below inflation
   - 8.4. Diversified Growth Fund (DGF): 1.95% above inflation
   - 8.5. Index-Linked Gilts Fund: 1.46% below inflation
   - 8.6. Property Fund: 1.46% above inflation
   - 8.7. Socially Responsible Investment (SRI) Fund: 2.93% above inflation.
9. 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.
10. In addition, the trustee is required to provide value for money to members, and as such it would be inappropriate 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 2020)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,013	5,991
3	11,804	11,698
5	18,336	18,079
10	38,482	37,460
15	65,394	62,811
20	101,129	95,780
25	148,364	138,462
30	210,576	193,519
35	292,282	264,336
40	399,351	355,210
46	572,200	498,522

This is the joint lowest charging fund, with an administration cost of 0.450% and variable additional transaction costs. Based on recent transaction cost experience, the Cash fund is the lowest charging fund overall.

Bond Fund

Projected Pension Pot in Today's Money (as at 30 September 2021)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	5,852	5,831
3	11,050	10,952
5	16,553	16,327
10	31,736	30,939
15	49,149	47,357
20	69,051	65,755
25	91,734	86,322
30	117,517	109,262
35	146,757	134,800
40	179,846	163,178
46	225,250	201,352

This is the joint lowest charging fund, with an administration cost of 0.450% and variable additional transaction costs. Based on recent transaction cost experience, the Cash fund is the lowest charging fund overall.

Cash fund (self-select fund and also a technical default fund)

Projected Pension Pot in Today's Money (as at 30 September 2020)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	5,806	5,785
3	10,842	10,746
5	16,075	15,858
10	30,062	29,320
15	45,417	43,803
20	62,244	59,368
25	80,650	76,079
30	100,753	94,005
35	122,676	113,216
40	146,553	133,788
46	177,982	160,383

This is the joint lowest charging fund, with an administration cost of 0.450% and variable additional transaction costs. Based on recent transaction cost experience, the Cash fund is the lowest charging fund overall.

DGF

Projected Pension Pot in Today's Money (as at 30 September 2021)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	5,967	5,941
3	11,585	11,462
5	17,809	17,517
10	36,404	35,286
15	60,186	537,460
20	90,436	84,988
25	128,743	119,019
30	177,078	160,943
35	237,889	212,437
40	314,211	275,531
46	431,633	370,042

This is the joint lowest charging fund, with an administration cost of 0.450% and variable additional transaction costs. Based on recent transaction cost experience, the Cash fund is the lowest charging fund overall.

Index-linked gilts fund

Projected Pension Pot in Today's Money (as at 30 September 2021)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	5,806	5,785
3	10,842	10,746
5	16,075	15,858
10	30,062	29,320
15	45,417	43,803
20	62,244	59,368
25	80,650	76,079
30	100,753	94,005
35	122,676	113,216
40	146,553	133,788
46	177,982	160,383

This is the joint lowest charging fund, with an administration cost of 0.450% and variable additional transaction costs. Based on recent transaction cost experience, the Cash fund is the lowest charging fund overall.

Property fund

Projected Pension Pot in Today's Money (as at 30 September 2021)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	5,944	5,895
3	11,476	11,248
5	17,550	17,012
10	35,412	33,397
15	57,763	52,969
20	85,589	76,248
25	120,083	103,834
30	162,692	136,418
35	215,171	174,800
40	279,647	219,902
46	376,522	284,407

This is the highest charging fund, with an administration cost of 1.020% and additional transaction costs.

SRI fund

Projected Pension Pot in Today's Money (as at 30 September 2021)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,013	5,991
3	11,804	11,698
5	18,336	18,079
10	38,482	37,460
15	65,394	62,811
20	101,129	95,780
25	148,364	138,462
30	210,576	193,519
35	292,282	264,336
40	399,351	355,210
46	572,200	498,522

This is the joint lowest charging fund, with an administration cost of 0.450% and variable additional transaction costs. Based on recent transaction cost experience, the Cash fund is the lowest charging fund overall.