The Pensions Trust

Annual Report and Financial Statements 2023

Pension Scheme Registration Number 10170418

tpt Retirement Solutions

Contents

Trustee and Advisors

Trustee	Verity Trustees Limited
Chair of the Trustee Board	Joanna Matthews
Co-opted Directors	Joanna Matthews – Independent Chair (n) David Robertson (n) (resigned 30 September 2023)
Employer-Nominated Directors	Jonathan Wheeler (p) Paul Oldroyd (d) Jonathan Cawthra (n) Dean Waddingham (n) (appointed 1 October 2022)
Member-Nominated Directors	Thomas Hague (a) Linda Henry (a) Helen Astle (d) (appointed 1 October 2022) Chris Roles (p) (appointed 1 October 2022)
	(a) Active member of the Trust (p) Pensioner member of the Trust (d) Deferred member of the Trust (n) Not a member of the Trust
Defined Contributions Administrator	Mercer Limited
Scheme Actuary	Michael Kelly FIA Mercer Limited
In-House Actuary	Robert Archer FIA
Independent Auditors	PricewaterhouseCoopers LLP
Legal Advisors	Linklaters LLP Birkett Long LLP CMS Cameron McKenna Nabarro LLP Pinsent Masons LLP
Bankers	The Royal Bank of Scotland plc Barclays Bank plc
Investment Managers	abrdn Alternative Funds Limited AllianceBernstein Limited Apollo Global Management, LLC Ares Management LLC

Trustee and Advisors (continued)

	Ashmore Investment Management Limited BlackRock Investment Management (UK) Limited CBRE Investment Management Chorus Capital Limited Christofferson, Robb & Company LLC First State Investments Fund Management S.Ar.L. Foresight Group Holdings PLC Global Infrastructure Partners Hayfin PT LP IFM Investors Pty, Limited InfraRed Capital Partners Limited King Street Capital Management, L.P. Legal & General Assurance (Pensions Management) Limited Macquarie Financial Products Management Limited Man Group PLC Meridiam SAS Nephila Capital Limited Ownership Capital B.V. Pacific Investment Management Company LLC Phoenix Group Holdings PLC RBC Global Asset Management (UK) Limited Royal London Asset Management Limited Ruffer LLP Sands Capital Management, LLC Standard Life Assurance Limited Stonepeak Holdings LLC Vontobel Asset Management SA Wellington Management International Limited
External AVC Policy Providers	See listing in Note 20
Insurance Policy Providers	See listing in Note 19
Property Valuer	Cluttons LLP
Investment Consultants	Mercer Investment Consulting Redington Investments Limited
Custodian	The Northern Trust Company
Custody Consultants	Thomas Murray Data Services

Trustee and Advisors (continued)

Address for enquiries	TPT Retirement Solutions Verity House 6 Canal Wharf Leeds West Yorkshire LS11 5BQ Email: enquiries@tpt.org.uk Website: www.tpt.org.uk

Trustee's Report

For the year ended 30 September 2023

Verity Trustees Limited (the "Trustee") presents its Annual Report on The Pensions Trust (the "Trust"), together with the Financial Statements of the Trust for the year ended 30 September 2023.

Trust Constitution and Management

The Trust is governed by Verity Trustees Limited, the sole corporate Trustee. As at 30 September 2023, the Trustee Board consisted of ten Directors, four of whom are nominated by the members, four by the employers and two Directors co-opted onto the Trustee Board by the member and employer-nominated Directors. From 1 October 2023 the number of Directors decreased to nine following the resignation of David Robertson as a co-opted Director. Under the Rules of the Trust, the Trustee can appoint up to 3 co-opted Directors. The Trustee Board has decided not to appoint any further co-opted Directors at this time.

On 2 October 2023 the Trustee entered into a contract with TPT Retirement Solutions Limited ("TPTRSL") for the provision of pensions management and administration services and appointed TPT Investment Management Limited ("TPTIM") as a Fiduciary Investment Manager. TPTRSL is a wholly owned subsidiary of the Trustee and TPTIM is a wholly owned subsidiary of TPTRSL.

David Robertson is the Chair of TPTRSL and is now responsible for the provision of services to the Trustee. He has therefore stepped down as a co-opted Director to avoid any potential conflict of interest.

Verity Trustees Limited is also the corporate Trustee of The Pensions Trust 2016. The Pensions Trust and The Pensions Trust 2016 continue to operate under the name TPT Retirement Solutions ("TPT"). Directors of Verity Trustees Limited, other than those who are co-opted, can be nominated by members and employers of either Trust.

The Articles of Association of the corporate Trustee and the Rules of the Trust contain provisions for the appointment and removal of Trustee Directors.

Joanna Matthews was the Independent Chair of the Trustee Board for the year ended 30 September 2023.

Prior to entering into the contract for the provision of pensions management and administration services with TPTRSL, TPT operated a two-tier governance structure. The supervisory Trustee Board appointed and held to account a Management Oversight Board which held delegated authority to make decisions about the operation of TPT and to oversee its day-to-day running. There were four members of the Management Oversight Board, all independent non-executives. For the Trust year ended 30 September 2023, David Robertson was the Chair of the Management Oversight Board. The other members of the Management Oversight Board at 30 September 2023 were Michael Balfour, Richard Coates and Colin Richardson who are also the respective Chairs of the Investment, Audit Risk & Compliance and Funding Committees.

Trustee's Report (continued)

The Trustee has appointed professional advisors and other organisations to support it in delivering the Trust's objectives. These individuals and organisations are listed on pages 1 to 3. The Trustee has written agreements in place with each of them. From 2 October 2023, this includes TPTRSL and TPTIM.

The Trust is a centralised occupational pension fund for non-associated employers ("employers"). There were 55 (2022: 53) segregated schemes ("schemes") within the Trust as at 30 September 2023.

The individual schemes and asset values at 30 September are detailed below.

	2023 £m	2022 £m
Defined Benefit (DB) Multi-Employer Schemes – Non-associated Employers		
CARE Scheme[2,4]	41.2	49.6
Growth Plan Series 1, 2 and 3[2]	518.7	575.0
Independent Schools' Pension Scheme[4]	99.2	118.1
Northern Ireland Charities Pension Scheme[2]	18.6	22.8
Scottish Housing Associations' Pension Scheme[4]	645.0	772.2
Scottish Voluntary Sector Pension Scheme[2]	86.2	102.4
Social Housing Pension Scheme[4]	2,570.1	3,111.2
	3,979.0	**4,751.3**

	2023 £m	2022 £m
Defined Benefit (DB) Multi-Employer Schemes – Associated Employers		
ABRI Group Limited Pension Scheme[1]	49.4	60.4
Methodist Homes for the Aged Final Salary Pension Scheme[2]	40.4	47.8
Oxfam Pension Scheme[1]	149.4	172.2
Royal College of Nursing of the United Kingdom Pension Scheme[1]	248.4	292.0
Sanctuary Housing Association Final Salary Pension Scheme[2]	177.7	210.8
The Clarion Housing Group Pension Scheme1	123.5	156.1
United Reformed Church Final Salary Scheme	25.0	28.3
Workers' Educational Association Pension Scheme[2]	24.5	28.1
	838.3	**995.7**

Trustee's Report (continued)

	2023 £m	2022 £m
Defined Benefit (DB) – Single Employer Schemes		
A2Dominion Benefit Scheme[5]	59.5	68.8
Action for Blind People Final Salary Pension Scheme[2]	9.4	11.0
Anchor Trust Final Salary Scheme[2]	151.3	175.0
Arthritis Care Pension Scheme[2]	8.0	9.6
Bromford DB Scheme	65.0	81.1
Christian Aid Final Salary Scheme (1988)[2]	53.6	64.1
Flagship Housing Group ex-SHPS Scheme[4,5]	29.6	31.4
Guinness Partnership Pension Scheme[5]	196.6	210.8
Housing Plus Pension Scheme[2]	7.6	8.3
Independent Age Final Salary Scheme[1,2]	14.6	17.0
Leonard Cheshire Disability Group Pension Scheme[2]	51.6	57.8
Manchester Grammar School Pension Scheme[2]	7.8	8.9
MIND (The National Association for Mental Health) Final Salary Scheme[2]	8.1	9.5
Moat Homes Pension Scheme	27.7	-
National Council for Voluntary Organisations Final Salary Pension Scheme[2]	19.5	22.1
Notting Hill Genesis Scheme[2,4]	36.5	39.5
One Housing Group Pension Scheme	28.7	-
Optivo Defined Benefit Pension Scheme[1,4]	53.0	58.3
Paddington Churches Housing Association 2001 Pension Scheme[2]	39.8	43.6
Riverside Defined Benefit Scheme[2]	68.8	77.6
Royal National College for the Blind Defined Benefit Scheme[2]	10.5	12.5
SeeABILITY Pension Scheme[2]	10.3	12.0
Sovereign Pension Plan[2]	114.7	120.7
St Mungo's Defined Benefit Scheme[5]	25.7	30.6
Stonham Final Salary Pension Scheme[1]	52.8	61.1
The Children's Society Pension Scheme[1]	104.9	122.7
The Harpur Trust Pension Scheme for Non-Teaching Staff[1]	19.8	22.8
The Livability Final Salary Pension Scheme[2]	25.5	28.8
The Orbit Group Defined Benefit Pension Scheme[2]	65.6	75.2
The Oxford Diocesan Board of Finance Staff Retirement Benefit Scheme[1]	11.6	13.4
The Save the Children Defined Benefit Scheme[2]	131.3	149.3
The Together Trust Final Salary Scheme[2]	6.1	7.0
The Winchester College Support Staff Pension Scheme[2]	15.9	17.9

Trustee's Report (continued)

Defined Benefit (DB) – Single Employer Schemes (continued)

Thirteen Housing Group Pension Scheme[5]	33.8	37.0
VIVID Housing Defined Benefit Pension Scheme[1,2,5]	53.7	68.3
Wales & West Housing Group Pension Plan[4,5]	59.7	61.2
YHA (England & Wales) Pension Scheme[2]	15.2	17.3
	1,693.8	**1,852.2**
Total Defined Benefit Schemes	**6,511.1**	**7,599.2**

	2023	**2022**
	£m	**£m**
Defined Contribution (DC) Schemes		
A2Dominion[4,5]	30.2	24.4
CARE Scheme[4]	5.3	5.6
Ethical Fund[3]	165.2	154.0
Flagship Housing Group ex-SHPS Scheme[4,5]	4.2	4.0
Flexible Retirement Plan[3]	634.6	549.9
Growth Plan Series 4[3]	519.6	457.8
Guinness Partnership[4,5]	25.3	18.0
Independent Schools' Pension Scheme[4]	47.0	38.2
Notting Hill Genesis Scheme[4,5]	27.1	26.4
Optivo DC Pension Scheme[4]	39.0	31.3
Pension Scheme for the Education Sector	-	-
Scottish Housing Associations' Pension Scheme[4]	160.9	132.0
Social Housing Pension Scheme[4]	1,196.6	979.0
Wales & West Housing Group Pension Plan[4,5]	8.7	7.0
Total Defined Contribution Schemes	**2,863.7**	**2,427.6**

[1] *Closed to new entrants*
[2] *Closed to future benefit accrual*
[3] *Investments are allocated to individual members*
[4] *Schemes within the Trust that include both DB and DC liabilities*
[5] *New Scheme following internal transfers from existing Schemes*

Trustee's Report (continued)

Current Economic Environment

Over the past year there has been a continued rise in the Bank of England base rate, rising from 2.25% on 1 October 2022 to 5.25% on 30 September 2023, as the Bank sought to bring inflation back towards its target of 2%. This increase, and the associated rise in UK government bond yields, meant that it was necessary to post collateral to the assets used to manage the interest rate and inflation risk present in the Trust's liabilities.

Globally, inflation and the tightening of monetary policy is the primary risk to economic expansion, and in turn asset prices. Labour markets, particularly in the US which is a key driver of global economic activity, continue to be tight and consumer demand is holding up well despite the increase in global interest rates, which provides little room for immediate interest rate cuts. The increase in borrowing costs as a result of high global interest rates will eventually feed through into the corporate sector, which may lead to pressure on profitability and increased defaults on corporate debt as companies are required to pay higher rates of interest as they refinance existing debt. This trend may also feed through to the consumer through the mortgage market, placing pressure on consumer demand.

The Trustee retains a well-diversified portfolio in order to mitigate these associated risks.

Financial Developments and Financial Statements

The Financial Statements included in this annual report are the accounts required by the Pensions Act 1995. The Financial Statements set out on pages 54 to 93 have been prepared and audited in compliance with regulations made under sections 41(1) and (6) of that Act.

The summary financial performance of the Trust is as follows:

	Year ended 30 Sept 2023 £m	**Year ended 30 Sept 2022 £m**
Contributions Receivable	700.3	717.0
Transfers In and Other Income	23.7	25.8
Benefits Paid or Payable and Other Payments	(379.3)	(347.2)
Transfers Out to Other Schemes	(179.1)	(99.8)
Administrative Expenses (incl. PPF levy)	(35.4)	(25.5)
Net Additions from dealings with Members	130.2	270.3
Investment Income	214.1	191.8
Change in Market Value of Investments	(959.0)	(4,148.8)
Investment Management Expenses	(40.6)	(51.0)
Net Return on Investments	(785.5)	(4,008.0)
Net (Decrease) in the Trust during year	(655.3)	(3,737.7)
Net Assets at beginning of year	10,051.8	13,789.5
Net Assets at end of year	**9,396.5**	**10,051.8**

Trustee's Report (continued)

Developments affecting the financial performance of the Trust during the year include:

- Contributions receivable have decreased by 2.3% when compared to last year, from £717.0m to £700.3m largely due to lump sum payments received from Orbit Group Defined Benefit Pension Scheme and Wales & West Housing Group Pension Plan in the prior year, as well as the Scottish Housing Associations' Pension Scheme no longer paying deficit recovery contributions.
- Defined Contribution (DC) contributions have increased by £28.8m (7.9%), whilst Defined Benefit (DB) contributions have decreased by £45.5m (12.9%).
- Transfers In have decreased by 8.0% from £8.7m to £8.0m.
- Within Benefits Paid or Payable, the pensions payable have increased by 8.4% from £220.9m to £239.4m, which reflects the increased number of pensioners in the year and annual pension increases.
- Within Transfers Out to Other Schemes, there is an external transfer of £65.3m relating to Onward Housing Group (2022: £0.8m relating to Metropolitan Housing Trust). All other amounts relate to individual transfers out.
- Administrative Expenses have increased 38.8% (£9.9m). Inflationary increases and professional services fees in relation to the historic benefit review have contributed to this increase. Costs have also been incurred in respect of projects that aim to improve efficiency and services to members and employers, including upgrading the DB operating platform and developing the DC proposition to provide an improved customer experience.
- There was a negative return on investments for the Defined Benefit Schemes during the year to 30 September 2023 of 14.9% (2022: negative return of 33.0%). Further details on investment performance can be found on page 21.

Contributions

As there are more than 20 participating employers, the Trustee has taken the available multi-employer exemption from obtaining a statement from the auditor concerning the payment of contributions to the Trust.

During the year 68 employers (2022: 94) remitted contributions later than the date set out in their Schedules of Contributions or Payment Schedules. In respect of the year ended 30 September 2023, there were 119 late payments (2022: 157) representing total contributions of approximately £4.4m (2022: £9.5m).

As at 30 September 2023, £0.5m (2022: £0.2m) of late contributions were outstanding; this included defined benefit employer normal, employee normal and deficit funding contributions.

Trustee's Report (continued)

Membership and Benefits

As at the year end, there were 2,496 (2022: 2,512) active employers.

The change in membership during the year is as follows:

	Active Members	Deferred Members	Pensioners	Beneficiaries	Total
At the start of the year	137,793	234,541	45,746	3,855	421,935
New members*	38,937	96	48	-	39,081
Members retiring	(235)	(2,078)	2,313	-	-
Members leaving prior to pension age	(38,275)	38,275	-	-	-
Members leaving with refunds	(566)	(1,788)	(31)	(1)	(2,386)
Transfers out	(2,355)	(9,653)	(964)	(68)	(13,040)
Full commutations	(6)	(103)	(26)	(4)	(139)
Deaths	(100)	(201)	(404)	(159)	(864)
New beneficiaries	-	-	-	322	322
Reclassifications**	106	182	(11)	(2)	275
At the end of the year	**135,299**	**259,271**	**46,671**	**3,943**	**445,184**
At the start of the year:					
DB	6,443	53,207	45,746	3,855	109,251
DC	131,350	181,334	-	-	312,684
Total	**137,793**	**234,541**	**45,746**	**3,855**	**421,935**
At the end of the year:					
DB	4,938	51,339	46,671	3,943	106,891
DC	130,361	207,932	-	-	338,293
Total	**135,299**	**259,271**	**46,671**	**3,943**	**445,184**

** New members include internal transfers from existing multi-employer Schemes.*

*** Reclassifications include status updates for member records not previously recorded as an active, deferred, pensioner or beneficiary member.*

The above membership reflects the number of records held rather than individual members.

Included in this table are 9,228 (2022: 8,847) pensioners and beneficiaries whose benefits are secured by annuities. There are 5,878 (2022: 6,429) members, who have both an active DC and a deferred DB record. New members joining are stated net of auto-enrolment opt-outs where contributions were never remitted to the Trust. Included within the number of active members are 988 (2022: 706) paid-up members. Paid-up members are members who are still in employment but are not contributing to the Trust, though they still maintain a salary link.

Trustee's Report (continued)

Pension Increases

The Rules make provision for increases to pensions in payment and deferred pensions. The increases applied depend on when the benefits are accrued and under which pension scheme. Decisions on increases are made in accordance with the provisions of each scheme, taking into account the financial position of the scheme, other relevant factors and the interests of all the categories of beneficiaries. Where pensions in payment are increased annually, this is normally by at least Limited Price Indexation (LPI), which means that the increase is capped at a maximum of either 2.5% or 5.0% depending upon when the benefits were accrued, unless scheme rules provide otherwise. Following the change in the statutory basis for increasing pensions in payment, from April 2011, pensions in payment have been calculated with reference to the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI), unless scheme rules provide otherwise.

The table below summarises the most recent increases applied:

	Minimum	Maximum	Average
Effective date			
Pensions in payment			
6 April 2023	0.0%	13.4%	3.8%
6 April 2022	0.0%	7.8%	3.7%

There have been no discretionary increases awarded during the reporting period (2022: none).

Transfer Values

Cash equivalents paid during the year with respect to transfers have been calculated and verified in the manner prescribed by the Pensions Act 1993 and do not include discretionary benefits. Following receipt of an insufficiency report from the Scheme Actuary, transfer values payable from the Royal National College for the Blind Defined Benefit Scheme are currently reduced due to the level of underfunding in the scheme.

Report on Actuarial Liabilities

As required by Financial Reporting Standard 102, the financial reporting standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102'), the Financial Statements do not include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004, every scheme within the Trust is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every three years using assumptions agreed between the Trustee and the employer and set out in the Statement of Funding Principles, a copy of which is available to scheme members on request from the address for enquiries on page 3.

Trustee's Report (continued)

The Trust's schemes are usually valued once every three years. Details of the individual schemes' actuarial valuation certifications are contained in the Summary of Actuarial Certificates section of the annual report on pages 94 to 96. In the years in between full actuarial valuations an actuarial update is prepared by the Scheme Actuary. The actuarial update is a roll-forward of the full actuarial valuation.

The aggregate valuation of all the Trust's schemes at 30 September 2022 (the latest aggregate valuation available) is the sum total of either the full actuarial valuations at that date or the latest actuarial update.

	2022	**2021**
Valuation date 30 September	**£m**	**£m**
Value of Technical Provisions	8,324.3	12,242.0
Value of Assets Available to meet Technical Provisions*	7,305.3	11,096.7
as a percentage of Technical Provisions	87.8%	90.6%

**Note: In accordance with SORP 2018, the value of assets available to meet technical provisions is as at the date of the related actuarial valuation.*

The value of technical provisions is based on the Pensionable Service accrued to the valuation date and assumptions about various factors that will influence each scheme in the future, such as the levels of investment returns and pay increases, when members will retire and how long members will live. The method and significant actuarial assumptions used in general for the 2022 valuations are shown below, although there may be isolated Scheme-specific variations:

Method

The actuarial method used in the calculation of the technical provisions is the Projected Unit Method, with a control period of one year for open schemes and of duration to Normal Pension Age for schemes closed to new entrants.

Significant Actuarial Assumptions

Discount Interest Rate: Scheme-specific set by reference to a fixed interest gilt curve at the valuation date, with an adjustment for expected outperformance from scheme assets.

Future Retail Price Inflation: Set by reference to a market-implied inflation curve as derived from gilt prices at the valuation date.

Future Consumer Price Inflation: Retail Price Inflation less 1.0% per annum until 2030 and then less 0.0% per annum thereafter.

Pension Increases: Derived from the term-dependent rates for future retail or consumer price inflation, allowing for the caps and floors on pension increases according to the provisions of the schemes' rules.

Pay Increases: General pay increases of 2.0% per annum above the rates for the future consumer price inflation, with some scheme-specific variations.

Trustee's Report (continued)

Mortality: Mortality and morbidity tables produced by the CMI (Continuous Mortality Investigation) with the support of the Institute and Faculty of Actuaries are used. No allowance is made for the period pre-retirement. For the period post-retirement, a scheme-specific loading to the S2PxA tables is used, with future improvements based on CMI tables with a long-term scaling factor of 1.50% for males and 1.25% for females and an A parameter of 0.25% for males and females. Where CMI_2021 is used, a W21 parameter of 10% is also used.

Recovery Plan

The arrangements for each scheme section are formalised in Schedules of Contributions that are certified by the Scheme Actuary. Details of the date of certification of each schedule can be found on pages 94 to 96. A copy of the example certificate can be found on page 94.

Contingent Liabilities

GMP Equalisation

The Trustee is currently reviewing, with its advisors, the impact of a High Court ruling made in October 2018, as well as a follow-on judgement in November 2020, concerning Guaranteed Minimum Pension (GMP) Equalisation.

Historic Benefit Review

The Trustee is seeking High Court clarification on benefit changes following a review of historic amendments made to the Trust Deed and Rules.

Further details of both Contingent Liabilities can be found in note 31 to the Financial Statements.

Regulation and Governance

The Pensions Trust is regulated by The Pensions Regulator. The Trustee has in place policies and processes to enable it to monitor compliance with applicable laws and regulations.

The Trust was granted Master Trust authorisation from The Pensions Regulator on 18 June 2019. Further details on Master Trust DC Governance can be found in the Chair's Statement Regarding DC Governance on pages 27 to 49.

Trustee's Report (continued)

Task Force on Climate-related Financial Disclosures Report

Executive Summary

This TCFD Report has been created to help you understand our climate-related risks, opportunities, and resilience plans. It explains the governance and actions taken by TPT's Trustee to identify, assess, and manage climate-related risks and opportunities in the 2022/2023 financial year (1 October 2022 to 30 September 2023).

Task Force on Climate-related Financial Disclosures ("TCFD") reporting has been a statutory requirement since the UK's Department of Work and Pensions ("DWP") Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 (DWP TCFD Regulations) were introduced.

The report is split into four sections which correspond to the four pillars of the TCFD framework: Governance; Strategy; Risk management; and Metrics and targets.

Our approach and climate commitments

We've been investing for the benefit of our members, employers, and the planet since 2004. Our increasing scale gives us a real opportunity to generate better returns for our members, but also to make a real difference to the wider world. Savers want a return, but also to contribute to a better society.

Responsible investment ("RI") is embedded in our decision-making process. We believe in making sure we have a resilient portfolio and act as a universal owner. As owners of such a large amount of assets, we must think about climate and sustainability in an integrative manner and manage the investment risks and opportunities associated with climate change. We want our investments to help build a sustainable future and work towards the solution of a lower carbon economy.

We integrate a range of environmental, social, and governance ("ESG") factors into the way we invest our members' assets using our RI Framework. Of the environmental and social issues that we consider, we believe that climate change represents a material financial risk to the long-term value of our investment portfolio and has the potential to reduce the security of our members' retirement benefits.

We're committed to achieving a net zero emissions portfolio by 2050. Our Climate Action Plan ("CAP") details our road map to net zero. The plan is shaped by the following commitments:

- Be active in influencing the transition to a low carbon economy including reaching net zero within our operations.

- Achieve net zero by 2050 with a decrease in our carbon intensity of at least 25% by 2025 and 50% by 2030.

- Increase our investment in climate solutions to at least 6% of return seeking assets by 2030.

Trustee's Report (continued)

- Continue to build a rigorous approach to incorporating climate change risks and opportunities into the way we invest members' assets.
- Work together with companies, governments and standard-setters and disinvest when no alternatives are possible.
- Regularly report back to members and wider stakeholders including through TCFD reporting.

Summary of Findings Against Requirements

The following table provides an overview of our disclosures against the TCFD recommendations and the progress we made during 2022/23. We will continue to assess and develop our disclosures against the TCFD framework considering relevant guidance, evolving best practices, and data availability.

	Disclosure Requirement	Summary of Findings
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Describe the Board's oversight of climate-related risks and opportunities.	Our governance structure provides clear oversight of climate-related risks and opportunities with the Trustee Board responsible for all aspects of running the Trust. The Trustee annually reviews and approves the climate-change policy and the wider Responsible Investment framework. The Statement of Investment Principles ("SIP") is also reviewed and approved annually by the Trustee.
	Describe management's role in assessing and managing climate-related risks and opportunities.	Day-to-day implementation is delegated to the Investment Management Team ("IMT"). The IMT is led by the Chief Investment Officer. Climate and responsible investment considerations are fully integrated into the IMT's core investment functions. The IMT reports to the Investment Committee (IC) - climate change issues are part of the regular updates in the agenda. The Chief Investment Officer also sits on the Executive Board. Climate change reporting is integrated into the Executive Board's key deliverables.

Trustee's Report (continued)

	Disclosure Requirement	Summary of Findings
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Changes to macroeconomic factors caused by climate change have varying levels of impact across all asset classes and apply globally. We describe both transition and physical risks resulting from climate change and consider risks and opportunities over the short, medium, and long-term.
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	We consider the resilience of our strategy across different climate-related scenarios and believe that qualitative and quantitative analysis provides helpful insights into the potential risks and opportunities associated with adapting to the impact of climate change. Having undertaken scenario analysis and reported this in our previous report, and with no material changes within the strategy or with climate scenarios, the Trustee decided that it would not undertake a new climate scenario analysis for the 2023 TCFD report. In this year's report, we provide a summary of the climate scenario analysis we performed in 2022.

Trustee's Report (continued)

	Disclosure Requirement	Summary of Findings
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks.	Climate change represents a risk to the long-term value of our investment portfolio and has the potential to reduce the security of our members' retirement benefits. Risk factors associated with climate are identified, managed, and integrated into the Risk Management Framework. Our Climate Change Policy also helps us to ensure that climate change risk is explicitly considered during the investment process, from understanding how exposed our portfolio is to the risks, to the way we actively engage with the wider investment community on climate change.
	Describe the organisation's processes for managing climate-related risks.	The management of the business and the execution of the company's strategy are subject to several risks. The company has policies, processes, and controls in place to manage and mitigate such risks. Our Statement of Investment Principles and our Investment Risk Management Framework are formally documented. The IC and the Investment Oversight Committee "IOC" are responsible for overseeing the effectiveness of the Investment Risk Management Framework.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	The approach to identifying, prioritising, assessing, and managing climate-related risks is the same as the method applied to all risk types across the Investment Risk Management Framework. The Investment Risk Management Framework consists of individual components that support the consistent and effective identification, consideration, and mitigation of risk. The key elements are: risk pillars; risk appetite; risk taxonomy; risk scorecard; risk registers; key controls; and risk events.

Trustee's Report (continued)

	Disclosure Requirement	Summary of Findings
Metrics & Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	We report against four climate metrics: - Absolute emissions metric; - Emission intensity metric; - Additional climate metric (non-emission factor); - Portfolio alignment metric. In last year's report, we reported on data quality as our additional climate metric. Data quality is key to ensuring that decisions related to decarbonization are both accurate and accountable. In this year's report we made improvements to our assessment and followed the Partnership for Carbon Accounting Financials ("PCAF") framework. Data quality 1 indicates the highest quality, while data quality score 5 represents the lowest.
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.	In last year's report, we reported Scope 1 and 2 emissions data. This year we have also included Scope 3 emissions. The availability and reliability of Scope 3 data remains a challenging factor. In this year's report, we have also reported emissions for Infrastructure given our significant exposure to this asset class (to note that listed equity, corporate fixed income, and real estate, which were already included in the previous report).
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Our climate targets are clearly defined in our Climate Action Plan. In this year's report, we assess performance against these targets and compare changes in carbon intensity over the last reporting years.

Trustee's Report (continued)

Next steps

Climate change and responsible investing is an ongoing journey – one that is continuously evolving and that we're relentlessly working on. Looking ahead, we plan to focus on the following strategic areas:

- Continue to grow our investments in renewable and green technologies;
- Develop a robust stewardship framework with a strong focus on climate action;
- Increase responsible investment reporting to better inform on the efforts and actions we are taking;
- Work with issuers, data providers, investors, and other stakeholders to improve data quality.

The full TCFD report can be found on [TPT's website.]

Trustee's Report (continued)

Investment Management

Investment Strategy and Principles

The Trustee is responsible for determining the schemes' investment strategies.

In accordance with section 35 of the Pensions Act 1995, the Trustee has agreed two Statements of Investment Principles ("SIP"), one in respect of Defined Benefit assets and one in respect of Defined Contribution assets. The versions in place at 30 September 2023 were approved in October 2021. A copy of the Defined Contribution SIP may be found in Appendix 1 on pages 97 to 109. Copies of both SIPs can be obtained from TPT's website.

Trustees of most schemes with 100 or more members, such as Verity Trustees Limited, must include an Implementation Statement for all Annual Report and Accounts produced on or after 1 October 2020. The Implementation Statement requirements differ between DC/hybrid schemes and pure DB schemes, but the statement must set out information about how the Trustee has put its SIP into practice, particularly in relation to stewardship and engagement. The Trustee is required to set out its opinion on how its policy and the SIP have been followed; to describe voting behaviour; and to explain any change to the SIP and the reason for it. The Trustee must also publish the Implementation Statement online and inform members about its availability.

A copy of the Implementation Statement can be found in Appendix 5 on pages 131 to 181.

Management and Custody of Investments

The Trustee has delegated the management of its investments to professional investment managers which are listed on pages 1 and 2. These managers, which are regulated by the appropriate regulatory body in their country of operation, such as the Financial Conduct Authority in the United Kingdom, manage the investments within the restrictions set out in investment management agreements which are designed to ensure that the objectives and policies set out in the SIPs are followed.

The mandates put in place by the Trustee specify how rights attaching to the Trust's segregated investments are acted upon. These include active voting participation and a requirement to consider environmental, social and governance ("ESG") and wider stewardship factors when making investment decisions. The Trustee has less influence over the underlying investments within pooled investment vehicles held by the Trust but reviews the managers' policies and statements of compliance in respect of these matters.

The Trustee is committed to being a Responsible Investor, an approach which seeks to integrate ESG considerations into investment management processes and ownership practices.

Of the environmental risks that the Trustee considers, climate change potentially presents the most material long-term risk and, in line with the recommendations set out in the Financial Stability Board's Task Force on Climate-related Financial Disclosures, we have disclosed the Trust's approach to climate-risk management on TPT's website.

The Trustee has appointed The Northern Trust Company to keep custody of the Trust's DB investments, other than:

Trustee's Report (continued)

- Pooled investment vehicles and qualifying investment funds, where the manager makes its own arrangements for custody of underlying investments;
- Direct property, where title deeds are held by the Trust's legal advisors; and
- Additional Voluntary Contributions and other investments which are in the form of insurance policies, where the master policy documents are held by the Trustee.

Investment Performance

The performance of the Trust's DB investments compared to benchmark is summarised in the following table. The Trust manages and monitors its DB investments in two separate portfolios, which have differing strategies and objectives: the main DB portfolio, which had assets at the year end of £6,394.5m (2022: £7,305.5m), and the Growth Plan Series 3, which had assets at the year end of £111.8m (2022: £116.6m). It does not produce performance statistics at the total investment level.

The Trust further manages and monitors its main DB portfolio in three separate portfolios: the Growth Assets portfolio, the Matching-Plus portfolio ("MPP"), and the Liability Driven portfolio ("LDI"). The weightings attributed to each of these portfolios will depend on the characteristics of each scheme.

There was a negative return on investments on the main DB portfolio in the year to 30 September 2023 of 14.87% (2022: negative return of 33.03%).

The performance of the Trust's DB investments compared to benchmark is summarised in the following table.

Trustee's Report (continued)

Annualised return over: **DB**	**Portfolio allocation**	**1 Year**	**3 Years**	**5 Years**
Growth Assets	**41%**	**3.16%**	**7.26%**	**5.99%**
Benchmark[1]		*8.44%*	*5.90%*	*5.56%*
Matching-Plus[2]	**17%**	**(7.70)%**	**(5.06)%**	**-**
Benchmark[3]		*4.50%*	*(4.47)%*	-
Liability Driven Investments[4]	**42%**	**(34.85)%**	**(45.68)%**	**(24.01)%**
Benchmark[5]		*(39.96)%*	*(53.24)%*	*(30.44)%*
Main DB Portfolio	**100%**	**(14.87)%**	**(15.64)%**	**(5.52)%**
Growth Plan Series 3		**3.3%**	**0.9%**	**0.5%**
Benchmark		*4.0%*	*1.6%*	*1.2%*

[1]The aim of the Growth Assets Portfolio is to outperform cash + 4.25% per annum over rolling 5 year periods (subject to a volatility constraint). The benchmark in the table above represents the cash + 4.25% objective.

[2]The Matching-Plus portfolio was separated out from Growth Assets on 31 December 2018, hence it lacks a five year track record.

[3]The aim of the Matching-Plus Portfolio is to outperform the ICE BoA UK gilts 1-15 years benchmark by 1.4% per annum. The benchmark in the table above represents this objective.

[4]These assets employ leverage and are managed to change in line with the liabilities they cover, therefore they may show large movements on an absolute basis.

[5]The LDI benchmark reported is a fund-weighted composite of underlying account benchmarks.

The reduction in Trust assets over the year to 30 September 2023 is attributable to the rise in government bond yields over the period, which has had a materially negative impact on the LDI assets. The absolute decline in the value of the LDI assets approximately matched the fall in the value of the liabilities of the schemes.

Further details on investment performance, including against targets rather than benchmarks, for example, can be found in the Annual Review which is available on TPT's website.

Trustee's Report (continued)

DC funds are managed separately rather than in aggregate as for DB investments. The following table shows the performance of some of the DC funds for members of different target retirement dates:

Annualised return over: **DC** **Target Date Funds (TDF)**	**1 Year**	**3 Years**	**5 Years**
Pre-Retirement: TDF 2026-2028	**5.65%**	**3.43%**	**5.70%**
Benchmark CPI + Margin	*8.21%*	*8.15%*	*5.13%*
Mid-Life: TDF 2035-2037	**7.78%**	**6.14%**	**7.54%**
Benchmark CPI + Margin	*9.81%*	*9.74%*	*7.57%*
Young: TDF 2053-2055	**11.54%**	**7.80%**	**7.93%**
Benchmark CPI + Margin	*10.87%*	*10.80%*	*8.06%*
Ethical Target Date Funds (ETDF)			
Pre-Retirement: ETDF 2026-2028	**7.52%**	**1.39%**	**6.10%**
Benchmark CPI + Margin	*8.21%*	*8.15%*	*5.13%*
Mid-Life: ETDF 2035-2037	**9.60%**	**2.94%**	**7.06%**
Benchmark CPI + Margin	*9.81%*	*9.74%*	*7.57%*
Young: ETDF 2053-2055	**12.87%**	**6.52%**	**8.05%**
Benchmark CPI + Margin	*10.87%*	*10.80%*	*8.06%*

Overall DC section returns have not been shown as these are not relevant to the return on individual members' funds.

The Trustee has considered the nature, disposition, marketability, security and valuation of the investments and considers them to be appropriate relative to the reasons for holding each class of investment. More details about investments are given in the notes to the Financial Statements.

Employer-Related Investments

The Trust invests in various housing bonds, whose underlying borrowers are drawn from a pool of registered social landlords. The names of the actual borrowers are not disclosed and can vary over time. Given the number of registered social landlords that participate in the Trust, it is possible that these are technically Employer-Related Investments. The value of the Trust's holdings in these bonds at 30 September 2023 was £4.3m (2022: £14.3m), which represents less than 1% of the Trust's net assets.

Trustee's Report (continued)

Employer-Related Investments include contributions that were received later than the due date set out on the Schedules of Contributions. As at 30 September 2023, £0.5m (2022: £0.2m) of outstanding contributions were received late; this included defined benefit employer normal, employee normal and deficit funding contributions. The value of late contributions outstanding at both year-end dates represents less than 0.1% of the Trust's net assets. At the date of signing, there were no outstanding contributions in relation to the year ended 30 September 2023.

The Trust occupies part of Verity House, Leeds. The Trust owns the freehold of this office building. The full value of this building is included in fixed assets at a revalued amount of £5.2m (2022: £7.7m) being 0.1% of the net assets of the Trust (2022: 0.1%).

Not more than 5% of the current market value of the Trust may at any time be Employer-Related Investments as defined in Section 40 of the Pensions Act 1995.

Pension contributions in respect of the Trust's employees are included in notes 5 and 12.

Statement of Trustee's responsibilities

The Trustee's responsibilities in respect of the Financial Statements

The Financial Statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those Financial Statements:

- show a true and fair view of the financial transactions of the Trust during the Trust year and of the amount and disposition at the end of the Trust year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Trust year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the Financial Statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the Financial Statements are prepared on a going concern basis unless it is inappropriate to presume that the Trust will continue as a going concern.

The Trustee is also responsible for making available certain other information about the Trust in the form of an annual report.

The Trustee has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is also responsible for the maintenance and integrity of the TPT pension scheme website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Trustee’s responsibilities (continued)

Further Information

Requests for additional information about the Trust generally, or queries relating to members’ own benefits, should be made to the address for enquiries on page 3.

Approval

The Trustee’s Report on pages 4 to 24 was approved and signed for and on behalf of the Trustee on 20 March 2024.

Joanna Matthews
Independent Chair
Verity Trustees Limited

Chair's Statement Regarding DC Governance

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

Contents

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

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

Background

The Trust is a leading workplace pension provider with more than 75 years' experience of providing pensions and £9.3 billion of assets (as at 30 September 2023) under management.

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

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

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

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

Chair's Statement Regarding DC Governance (continued)

Highlights

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

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

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

The Scheme Strategist worked with the DC Scheme's fiduciary investment manager, AllianceBernstein and consulting firm LCP to consider a suitable design for the TDF Default. The aim was to offer a default fund suitable for members to use whilst saving for retirement through to accessing their savings, without the need for complex decision making and expensive advice. The review concluded that:

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

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

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

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

Chair's Statement Regarding DC Governance (continued)

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

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

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

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

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

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

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

Chair's Statement Regarding DC Governance (continued)

Taking these objectives into account, the Trustee's updated member communication strategy includes:

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

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

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

- Winner Communication – Pensions & Investment World Pension Summit Innovation Awards 2022
- Winner Master Trust Offering of the Year – Pension Age Awards 2023
- Winner Pension Scheme Communication Initiative of the Year – UK Pension Awards 2023
- Winner European Pension Fund Innovation Award – European Pension Awards 2023
- Winner Best Use of Video – Investment Marketing & Innovation Awards 2023
- Winner Pension Provider of the Year – MoneyAge Awards 2023
- Winner Saver Engagement – PLSA Retirement Living Standards Awards 2023

Approval

This DC Governance Statement was approved on 19 March 2024 and signed for and on behalf of the Trustee on 20 March 2024.

Joanna Matthews
Independent Chair
Verity Trustees Limited

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

Chair's Statement Regarding DC Governance (continued)

Section 1: Default investment

Investment

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

Default investment

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

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

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

Self-Select Cash Fund

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

Statement of Investment Principles (SIP)

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

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

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

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

Chair's Statement Regarding DC Governance (continued)

along with performance generally. In broad terms, the aim of the review is to ensure the default investment remains suitable for the members.

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

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

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

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

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

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

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

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

Chair's Statement Regarding DC Governance (continued)

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

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

Chair's Statement Regarding DC Governance (continued)

Section 2: Administration

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

Core financial transactions

Key elements of administration are known as "core financial transactions" and very broadly relate to the movement of money and member payments. They include (but are not limited to):

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

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

Assessment

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

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

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

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

Service Level Agreement

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

Chair's Statement Regarding DC Governance (continued)

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

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

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

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

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

Chair's Statement Regarding DC Governance (continued)

Standard monitoring process

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

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

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

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

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

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

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

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

Chair's Statement Regarding DC Governance (continued)

Section 3: Member-borne costs and charges

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

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

There are no performance fees for the default funds

What information have we shown?

In the following appendices, we have shown:

- Appendix 2: Member-borne costs & charges
- Appendix 3: Cumulative illustrations
- Appendix 4: Investment returns

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

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

Administration charges

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

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

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

Transaction costs

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

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

Chair's Statement Regarding DC Governance (continued)

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

Cumulative illustrations

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

Net investment returns

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

Chair's Statement Regarding DC Governance (continued)

Section 4: Value for members

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

Report

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

The purpose of this report was to assess the value for members of the DC arrangements within the Trust, when considering the costs members pay in return for the benefits and services they receive. The report was approved by the Trustee on 19 March 2024.

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

Assessment

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

Costs and Charges:

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

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

Trustee Governance:

- The DC Scheme has a long-established and comprehensive trustee governance structure
- The Trustee has a diverse range of experience with Trustee Directors holding a range of complementary professional qualifications. TPR is increasing its focus on Trustee Diversity and the Trustee is actively considering how it can bring further diversity to the Trustee Board
- The Trustee is supported by a DC Oversight Committee, which exercises the statutory function of Scheme Strategist, by the wider team of professionals employed by TPT and by several external professional advisers

Chair's Statement Regarding DC Governance (continued)

- All Trustee Directors follow a structured personal development plan with feedback and training provided to ensure that they are performing well in their roles

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

Administration

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

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

Investment:

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

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

Chair's Statement Regarding DC Governance (continued)

Environmental, Social and Governance:

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

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

Retirement Journey:

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

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

Communication and Tools:

- TPT has the ability to provide member communications which are segmented by age and, in particular, TPT has bespoke communication strategies for the key phases of accumulation and pre-retirement
- Communications are provided to members in a range of different formats to accommodate members' different preferences for accessing information
- Communications can also be made which are personalised for the member and which are tailored on a bespoke basis to their employer

Chair's Statement Regarding DC Governance (continued)

- Topics of communication include all key stages of the savings and retirement journey and are triggered by different life events and changes in the legal and economic environment
- Communications are tracked through metrics including website visits, secure portal log-in rates, and open and click-through rates of email communications

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

Section 5: Trustee knowledge and understanding ("TKU")

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

Assessment

Having considered actions taken individually as Trustee Directors and collectively as a Trustee, and the professional advice available, VTL is confident that the combined knowledge and understanding of the Trustee Directors enables the Trustee Board to properly exercise its functions as Trustee.

This assessment is made by reference to the requirement for the Trustee Directors to demonstrate:

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

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

Standard TKU arrangements

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

Chair's Statement Regarding DC Governance (continued)

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

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

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

Board effectiveness

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

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

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

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

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

Chair's Statement Regarding DC Governance (continued)

Individual assessment

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

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

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

New Trustee Directors

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

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

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

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

Training

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

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

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

Chair's Statement Regarding DC Governance (continued)

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

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

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

Chair's Statement Regarding DC Governance (continued)

Section 6: Trustee independence

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

Majority Independent

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

Joanna Matthews, Co-Opted Director and Chair
David Robertson, Co-Opted (resigned 29 September 2023)*
Jonathan Wheeler, Employer Nominated Director ("END")
Jonathan Cawthra, END
Paul Oldroyd, END
Dean Waddingham, END
Thomas Hague, Member Nominated Director ("MND")
Linda Henry, MND
Helen Astle, MND
Chris Roles, MND

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

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

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

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

Appointment process

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

Chair's Statement Regarding DC Governance (continued)

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

The Trustee's Remuneration and Appointments Committee ("RAC") will agree the candidates to be interviewed following an assessment of the application forms against the job specification and required competencies agreed by the Trustee. There is a two-stage interview process. The first stage is conducted by a panel comprising existing Trustee Directors, including at least one current MND/END as appropriate, and a member of the TPT Retirement Solutions Limited's Executive Board. The output from the first stage interviews will be reviewed by the RAC and cross-referenced against any identified skill gaps. The RAC will then shortlist candidates for a second interview.

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

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

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

Chair's Statement Regarding DC Governance (continued)

Section 7: Member Feedback

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

Our communications

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

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

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

Manner of feedback

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

Feedback arrangements

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

Chair's Statement Regarding DC Governance (continued)

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

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

Independent auditors' report to the Trustee of The Pensions Trust

Report on the audit of the Financial Statements

Opinion

In our opinion, The Pensions Trust's Financial Statements:

- show a true and fair view of the financial transactions of the Trust during the year ended 30 September 2023, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the Financial Statements, included in the Annual Report and Financial Statements, which comprise: the Statement of Net Assets (available for benefits) as at 30 September 2023; the Fund Account for the year then ended; and the notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to, or in respect of, the Trust.

Other than those disclosed in note 12 to the Financial Statements, we have provided no non-audit services to the Trust in the period under audit.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

Independent auditors' report to the Trustee of The Pensions Trust (continued)

In auditing the Financial Statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all the information in the Annual Report and Financial Statements other than the Financial Statements and our auditors' report thereon. The Trustee is responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the Financial Statements and the audit

Responsibilities of the Trustee for the Financial Statements

As explained more fully in the Statement of Trustee's responsibilities, the Trustee is responsible for ensuring that the Financial Statements are prepared in accordance with the applicable framework and for being satisfied that they show a true and fair view. The Trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the Financial Statements, the Trustee is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

Independent auditors' report to the Trustee of The Pensions Trust (continued)

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the Trust in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the Financial Statements. We evaluated incentives and opportunities for fraudulent manipulation of the Financial Statements, including the risk of override of controls, by the Trustee and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets and inappropriate adjustments of asset valuations. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Testing estimates and judgements made in the preparation of the Financial Statements for indicators of bias.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the Trustee to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Financial Statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the Trustee of The Pensions Trust (continued)

Use of this report

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

20 March 2024

Financial Statements

Fund Account

For the year ended 30 September 2023

	Note	Defined Benefit Schemes £m	Defined Contribution Schemes £m	Expenses Reserve Account £m	Total 2023 £m	Total 2022 £m
Employer Contributions		297.4	272.6	-	570.0	587.6
Employee Contributions		10.4	119.9	-	130.3	129.4
Total Contributions	5	307.8	392.5	-	700.3	717.0
Transfers in	6	(0.1)	8.1	-	8.0	8.7
Other Income	7	10.1	5.7	-	15.8	17.1
		317.8	**406.3**	**-**	**724.1**	**742.8**
Benefits Paid or Payable	8	(309.1)	(55.2)	-	(364.3)	(337.9)
Payments to and on account of Leavers	9	(1.2)	(6.4)	-	(7.6)	(2.6)
Transfers Out to Other Schemes	10	(86.8)	(92.3)	-	(179.1)	(99.8)
Other Payments	11	(7.4)	-	-	(7.4)	(6.7)
Administrative Expenses	12	(28.4)	(7.0)	-	(35.4)	(25.5)
		(432.9)	**(160.9)**	**-**	**(593.8)**	**(472.5)**
Net (withdrawals) / additions from dealings with Members		**(115.1)**	**245.4**	**-**	**130.3**	**270.3**
Net Return on Investments						
Investment Income	13	200.6	13.5	-	214.1	191.8
Change in Market Value of Investments	14	(1,142.8)	183.7		(959.1)	(4,148.8)
Investment Management Expenses	15	(36.4)	(4.2)	-	(40.6)	(51.0)
		(978.6)	**193.0**	**-**	**(785.6)**	**(4,008.0)**
Net (Decrease) / Increase in the Trust		**(1,093.7)**	**438.4**	**-**	**(655.3)**	**(3,737.7)**
Opening Net Assets		**7,599.2**	**2,427.6**	**25.0**	**10,051.8**	**13,789.5**
Transfers between sections	34	5.6	(2.3)	(3.3)	-	-
Closing Net Assets available for benefits		**6,511.1**	**2,863.7**	**21.7**	**9,396.5**	**10,051.8**

The notes on pages 56 to 93 form part of these Financial Statements.

Financial Statements (continued)

Statement of Net Assets (available for benefits)

As at 30 September 2023

	Note	Defined Benefit Schemes £m	Defined Contribution Schemes £m	Expenses Reserve Account £m	Total 2023 £m	Total 2022 £m
Investment Assets						
Equities	14	143.4	-	-	143.4	114.9
Bonds	14	194.1	-	-	194.1	323.7
Property	16	168.7	-	-	168.7	228.6
Pooled Investment Vehicles	17	5,646.6	2,819.6	-	8,466.2	9,200.6
Derivatives	18	5.7	-	-	5.7	6.8
Insurance Policies	19	119.9	-	-	119.9	134.9
AVC Investments	20	1.1	-	-	1.1	1.1
Cash and Cash Equivalents	21	118.2	-	-	118.2	124.7
Other Investment Balances	21	189.4	-	-	189.4	275.1
		6,587.1	**2,819.6**	**-**	**9,406.7**	**10,410.4**
Investment Liabilities						
Derivatives	18	(39.8)	-	-	(39.8)	(138.8)
Cash and Cash Equivalents	21	(27.6)	-	-	(27.6)	(33.7)
Other Investment Balances	21	(13.4)	-	-	(13.4)	(284.0)
		(80.8)	**-**	**-**	**(80.8)**	**(456.5)**
Total Net Investments	14	**6,506.3**	**2,819.6**	**-**	**9,325.9**	**9,953.9**
Fixed Assets	27	5.2	-	2.6	7.8	8.2
Current Assets	28	53.1	49.4	40.1	142.6	124.6
Current Liabilities	29	(53.5)	(5.3)	(21.0)	(79.8)	(34.9)
Total Net Assets (available for benefits)		**6,511.1**	**2,863.7**	**21.7**	**9,396.5**	**10,051.8**

The Financial Statements summarise the transactions of the Trust and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Trust's year. The actuarial position of the Trust, which takes into account such obligations for the defined benefit section, is dealt with in the Report on Actuarial Liabilities on pages 11 to 13 of the Annual Report, and these Financial Statements should be read in conjunction with this Report. The notes on pages 53 to 93 form part of these Financial Statements.

The Financial Statements on pages 53 to 93 were approved and signed for and on behalf of the Trustee on 20 March 2024.

Joanna Matthews
Independent Chair
Verity Trustees Limited

Notes to the Financial Statements

For the year ended 30 September 2023

1. General Information

The Trust is a centralised occupational pension fund for non-associated employers, established as a trust under English law. The Trust is also an authorised Master Trust.

The address of the Trust's principal office is 6 Canal Wharf, Leeds, West Yorkshire, LS11 5BQ. The Trust is registered in the United Kingdom.

The Trust has defined benefit ("DB") sections, the majority of which are closed to new members but some existing members continue to accrue benefits, and defined contribution ("DC") sections which are open to new members and are used as auto-enrolment schemes by certain employers. For details of schemes included as defined benefit or defined contribution see note 34.

The Trust is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employers and employees are normally eligible for tax relief and income and capital gains earned by the Trust receive preferential tax treatment.

2. Basis of Preparation

The individual Financial Statements of The Pensions Trust have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

3. Accounting Policies

The principal accounting policies of the Trust, which have been applied consistently, are as follows:

a. Currency

The Trust's functional currency and presentational currency is pounds sterling (GBP).

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into sterling at the spot exchange rate at the date of the transaction.

Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

Notes to the Financial Statements (continued)

b. Contributions and Other Income

i. Employees' normal contributions and Additional Voluntary Contributions (AVCs) remitted by the employer are accounted for on an accruals basis when deducted from pay.

ii. Employers' normal contributions remitted by the employer that are expressed as a rate of pensionable salary are accounted for on the same basis as employees' contributions, otherwise they are accounted for in the period they are due under the Schedules of Contributions or Payment Schedules.

iii. Contributions in respect of employees in the first 30 days following auto enrolment are accounted for when their right to opt-out has expired, unless remitted to the Trust earlier.

iv. All contributions payable under salary sacrifice arrangements are classified as employer contributions.

v. Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedules of Contributions and recovery plan under which they are being paid.

vi. Special contributions include employer debt on withdrawal contributions (Section 75 debts) which are accounted for on the due dates on which they are payable with provision made where there is uncertainty of receipt.

vii. Other income is recognised on an accruals basis.

c. Transfers from and to Other Schemes

i. Group and individual transfers in are accounted for on an accruals basis, which is normally the earlier of when the transfer value is paid or member liability is accepted by the Trust.

ii. Group transfers out are accounted for in accordance with the terms of the transfer agreement.

iii. Individual transfers out are accounted for on an accruals basis, which is normally when the transfer value is paid and member liability is discharged.

iv. Where members of new schemes hold externally operated AVC policies, the transfer value is accounted for when the policy is transferred into the name of the Trustee. Payments out to members are made when payments are received from the policy operator.

Notes to the Financial Statements (continued)

d. Benefits and Payments to and on Account of Leavers

i. Pensions in payment, including pensions funded by annuity contracts, are accounted for in the period to which they relate.

ii. Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement or the date the option is exercised.

iii. Other benefits are accounted for on an accruals basis on the date of leaving or death as appropriate. Refunds and opt-outs are accounted for when the Trustee is notified of the member’s decision to leave the Trust.

iv. Where the Trustee agrees or is required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefit received from the Trust, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within benefits.

v. Following the payment of a refund of contributions to a member of any DC arrangement, within the qualifying period, the units purchased by employer contributions in respect of that member are disinvested and the proceeds transferred to the Expenses Reserve Account.

e. Administrative and Other Expenses

i. All administrative and investment management expenses incurred by the Trust are accounted for on an accruals basis. The Trust operates an Expenses Reserve Account, which represents the balance arising between expenses deducted from the Schemes and actual costs incurred. The year end balance is an accumulation of these movements since inception.

ii. Expenses which relate specifically to individual Schemes are allocated to the appropriate scheme on an accruals basis.

iii. The Trustee of The Pensions Trust, Verity Trustees Limited, is also the Trustee of The Pensions Trust 2016. The Pensions Trust incurs all of the administrative and investment management expenses relating to The Pensions Trust 2016 and recharges these on a monthly basis.

iv. Investment management expenses and administrative expenses, other than those relating specifically to a particular scheme, are allocated on the basis of asset values and member numbers, as appropriate.

Notes to the Financial Statements (continued)

f. Depreciation

Tangible fixed assets are depreciated from when the asset becomes operational. Assets are depreciated over their expected useful economic lives on a straight line basis. The rates used are:

Computers and Software	25%
Equipment and Fittings	10% - 25%

The Trust's freehold office has been valued independently on an annual basis at the year-end date on an estimated open market existing use basis. The change in valuation from the preceding year is included in the Financial Statements, within 'Change in Market Value of Investments' (note 14).

g. Investment Income and Expenditure

i. Income from equities, and any pooled investment vehicles (including sole investor funds) which distribute income, is accounted for on an accruals basis on the date stocks are quoted ex-dividend or, in the case of unquoted instruments, when the dividend is declared.

ii. Income from bonds is accounted for on an accruals basis and includes income bought and sold on purchases and sales of bonds. Interest on cash and short-term deposits and income from other investments are accounted for on an accruals basis.

iii. Rents from properties are accounted for on an accruals basis from when earned in accordance with the terms of the lease.

iv. Interest is accrued on a daily basis.

v. Investment income is reported net of attributable tax credits but gross of withholding taxes, which are accrued in line with the associated investment income.

vi. Income arising from insurance policies is included in investment income. Income from annuities is accounted for on an accruals basis.

vii. The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time of the year, i.e. profits and losses realised on sales of investments during the year and unrealised changes in market value on amounts held at the end of the year. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested with the fund without issue of further units, change in market value also includes such income.

Notes to the Financial Statements (continued)

viii. Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Trust such as fees, commissions, stamp duty and other fees. Other investment management expenses are accounted for on an accruals basis and shown separately within net returns on investments.

h. Investments

Investment assets and liabilities are included in the Financial Statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price or most recent transaction price is used.

i. Readily traded investments (equities, bonds and certain pooled investments and qualifying investment funds) are stated at the bid price or the last traded price, depending on the convention of the stock exchange on which they are quoted.

ii. Where quoted or unquoted unit prices are not available, the Trustee adopts valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the notes to the Financial Statements where used.

iii. Where the value of a pooled investment vehicle (“PIV”) is primarily driven by the fair value of its underlying investments, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustment is made.

iv. Properties are included at fair value as at the year end, as determined by independent chartered surveyors who have recent experience of the locations and types of properties held by the Trust, in accordance with the Royal Institution of Chartered Surveyors’ Appraisal and Valuation Standards and the Practice Statement contained therein.

v. Derivatives are stated at fair value.

- Exchange-traded derivatives are stated at market values determined using market quoted prices. For exchange-traded derivative contracts which are assets, fair value is based on quoted bid prices. For exchange-traded derivative contracts which are liabilities, fair value is based on quoted offer prices.

- Over-the-counter (“OTC”) derivatives are stated at fair value estimated using pricing models and relevant market data as at the year-end date.

Notes to the Financial Statements (continued)

- Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

- Options are stated at fair market value determined using specific pricing models and relevant market data at the year end.

- Security pledged is stated at fair market value based on bid prices at the year end.

- All gains and losses arising on derivative contracts are reported within 'Change In Market Value of Investments'.

vi. Insurance policies purchased for retired members in their own names fully discharge the Trust's liability to those members and are therefore not included in these Financial Statements. The individuals are removed from membership records and the cost of purchasing the annuities is reported within payments to and on account of leavers as the former members do not have their pension paid by the Trust.

vii. Insurance policy assets which provide benefits for members, but which are in the name of the Trustee, principally the bulk annuity contracts with Canada Life, Rothesay Life and Legal & General Assurance Society Limited, are valued by the Scheme's Actuary based on the expected future pensioner benefit payments covered by the contract, discounted back to the financial year end using assumptions agreed by the Trustee on advice from the Scheme Actuary. The assets are assumed to be equal to the actuarial liability at the valuation date.

viii. AVCs are invested in accordance with the members' instructions.

i. Critical Accounting Judgements and Estimation Uncertainty

i. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

ii. The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. For the Trust, the Trustee believes the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Trust investments and, in particular, those classified in Level 3 of the fair-value hierarchy. Explanation of the key assumptions underpinning the valuation of investments is included within (h) above and within notes 19, 24 and 26. The Trustee does not consider there to be any critical judgements.

Notes to the Financial Statements (continued)

4. Analysis of Fund Account

	2023				2022			
	DB	**DC**	**ERA**	**Total**	**DB**	**DC**	**ERA**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Total Income	317.8	406.3	-	724.1	360.4	382.4	-	742.8
Total Payments	(432.9)	(160.9)	-	(593.8)	(365.6)	(106.9)	-	(472.5)
Net (withdrawals) / additions from dealing with Members	(115.1)	245.4	-	130.3	(5.2)	275.5	-	270.3
Net Return on Investments	(978.6)	193.0	-	(785.6)	(3,807.0)	(201.0)	-	(4,008.0)
Net (Decrease) / Increase in the Trust	(1,093.7)	438.4	-	(655.3)	(3,812.2)	74.5	-	(3,737.7)
Opening Net Assets	7,599.2	2,427.6	25.0	10,051.8	11,408.5	2,356.9	24.1	13,789.5
Transfers between sections	5.6	(2.3)	(3.3)	-	2.9	(3.8)	0.9	-
Closing Net Assets (available for benefits)	**6,511.1**	**2,863.7**	**21.7**	**9,396.5**	**7,599.2**	**2,427.6**	**25.0**	**10,051.8**

Included within Net Returns on Investments is Change in Market Value of Investments of £(1,142.7)m (2022: £(3,939.3)m) for the DB section, and £183.7m (2022: £(209.5)m)for the DC section.

Notes to the Financial Statements (continued)

5. Contributions

	2023			2022		
	DB	DC	Total	DB	DC	Total
	£m	£m	£m	£m	£m	£m
Employer Contributions						
Normal	41.0	272.6	313.6	48.8	247.3	296.1
Administrative expenses	15.8	-	15.8	13.7	-	13.7
Deficit funding	231.0	-	231.0	272.9	-	272.9
Special contributions	9.6	-	9.6	4.9	-	4.9
	297.4	**272.6**	**570.0**	**340.3**	**247.3**	**587.6**
Employee Contributions						
Normal	10.4	114.7	125.1	13.0	110.8	123.8
AVCs	-	5.2	5.2	-	5.6	5.6
	10.4	**119.9**	**130.3**	**13.0**	**116.4**	**129.4**
	307.8	**392.5**	**700.3**	**353.3**	**363.7**	**717.0**

Employer normal contributions: These include contributions in respect of salary sacrifice arrangements made available to certain members by the Employer.

Deficit funding: An actuarial valuation for each DB scheme is carried out every three years. Deficit funding represents payments by employers to eliminate past service deficits in accordance with the Schedules of Contributions prepared by the Actuary.

Special contributions: These are paid by employers in addition to the deficit funding requirements identified in the Schedules of Contributions.

Total future commitments as at 30 September 2023 to pay deficit contributions are shown below:

	£m
Due in 1 year	215.2
Due in 1 - 2 years	435.1
Due in 2 - 5 years	1,219.2
Due in > 5 years	160.3
TOTAL	**2,029.8**

Deficit recovery periods differ between Schedules of Contributions. The shortest deficit recovery period is two years, with the longest being 14 years.

Moat Homes Pension Scheme and One Housing Group Pension Scheme have not been included in the table above as a full actuarial valuation has not yet been completed.

Notes to the Financial Statements (continued)

6. Transfers In

	2023			2022		
	DB	DC	Total	DB	DC	Total
	£m	£m	£m	£m	£m	£m
Individual Transfers in	0.1	7.9	8.0	0.1	8.6	8.7
Transfers between sections	(0.2)	0.2	-	(1.0)	1.0	-
	(0.1)	**8.1**	**8.0**	**(0.9)**	**9.6**	**8.7**

Transfers between sections represent transfers out of DB schemes and into DC schemes within the Trust.

7. Other Income

	2023			2022		
	DB	DC	Total	DB	DC	Total
	£m	£m	£m	£m	£m	£m
Claims on Term Insurance Policies	0.4	5.7	6.1	0.1	9.1	9.2
Life Assurance Income	8.7	-	8.7	7.8	-	7.8
Bank Interest	1.0	-	1.0	0.1	-	0.1
	10.1	**5.7**	**15.8**	**8.0**	**9.1**	**17.1**

Life assurance income relates to premiums paid by employers for the purchase of life assurance for members.

8. Benefits Paid or Payable

	2023			2022		
	DB	DC	Total	DB	DC	Total
	£m	£m	£m	£m	£m	£m
Pensions	239.4	-	239.4	220.9	-	220.9
Commutations and Lump Sum Retirement Benefits	66.5	46.2	112.7	65.1	36.4	101.5
Lump Sum Death Benefits	3.0	8.5	11.5	3.8	11.6	15.4
Taxation	0.2	0.5	0.7	(0.1)	0.2	0.1
	309.1	**55.2**	**364.3**	**289.7**	**48.2**	**337.9**

Notes to the Financial Statements (continued)

Taxation arising on benefits paid or payable is in respect of members whose benefits have exceeded the lifetime or annual allowance and who elected to take lower benefits from the Trust in exchange for the Trust settling their tax liability.

9. Payments to and on Account of Leavers

	2023			2022		
	DB £m	DC £m	Total £m	DB £m	DC £m	Total £m
Refund of Contributions	0.1	0.1	0.2	0.1	0.2	0.3
Purchase of Annuities	1.1	6.3	7.4	0.2	2.1	2.3
	1.2	**6.4**	**7.6**	**0.3**	**2.3**	**2.6**

10. Transfers Out to Other Schemes

	2023			2022		
	DB £m	DC £m	Total £m	DB £m	DC £m	Total £m
Group Transfers to Other Schemes:						
Metropolitan Housing Trust	-	-	-	-	0.8	0.8
Onward Housing Group	65.3	20.6	85.9	-	-	-
Individual Transfers Out	21.5	71.7	93.2	48.1	50.9	99.0
	86.8	**92.3**	**179.1**	**48.1**	**51.7**	**99.8**

11. Other Payments

	2023			2022		
	DB £m	DC £m	Total £m	DB £m	DC £m	Total £m
Premiums on Term Insurance Policies	7.5	-	7.5	6.7	-	6.7
Compensation	(0.1)	-	(0.1)	-	-	-
	7.4	**-**	**7.4**	**6.7**	**-**	**6.7**

Notes to the Financial Statements (continued)

12. Administrative Expenses

	2023			2022		
	DB £m	DC £m	Total £m	DB £m	DC £m	Total £m
Gross Salaries	7.8	1.6	9.4	6.9	1.2	8.1
Other Employment Costs	6.9	-	6.9	5.7	-	5.7
Computer Systems and Development	2.0	0.2	2.2	0.4	0.1	0.5
Publicity and Design	0.8	-	0.8	0.8	-	0.8
Office Miscellaneous and Depreciation	2.2	0.1	2.3	2.8	0.1	2.9
Professional Fees*	(0.7)	5.1	4.4	1.3	3.2	4.5
Scheme Specific Expenses	6.9	-	6.9	0.8	-	0.8
Regulatory Fees	2.5	-	2.5	2.1	0.1	2.2
	28.4	**7.0**	**35.4**	**20.8**	**4.7**	**25.5**

**Administrative expenses in relation to the DB section are negative due to accrual reversals in the year.*

The Trust bears all the costs of administration. Scheme Specific Expenses and Regulatory Fees are paid from the Scheme to which they relate. All other costs are paid from the Expenses Reserve Account.

Included within Office Miscellaneous and Depreciation is £0.5m (2022: £0.2m) of depreciation. Included in Professional Fees are the audit fee of £0.3m (2022: £0.3m) and actuarial fees of £1.2m (2022: £1.0m).

The overall audit fee of £328,500 (2022: £278,500) is inclusive of the audit fee for The Pensions Trust 2016 of £67,200 (2022: £57,200). This is included within Professional Fees. In addition, during the year, the auditors also provided £88,000 (2022: £80,000) of non-audit services of an assurance nature that are permissible services under the FRC Ethical Standard.

In the year, £0.2m was charged to the Fund Account in respect of operating lease expenses (2022: £0.2m).

Remuneration of Trustee Directors and Key Management Personnel

Trustee Director Remuneration

The number of Trustee Directors who received either a salary or fees in the year fall into the following bands of remuneration payable for the year:

	2023	2022
£0-£20,000	7	5
£20,001-£40,000	1	1
£100,001-£120,000	1	1

Notes to the Financial Statements (continued)

Whilst the former CEO sat on the Trustee Board in the prior year, and the Chair of the Management Oversight Board sat on the Trustee Board during the current and prior years, details of their remuneration have been excluded from the above but have been included within the analysis relating to the Employee Remuneration and Management Oversight Board and Committee Co-optee Remuneration respectively.

Trustee Directors may incur costs in fulfilling their duties. The reimbursement of properly incurred expenses is not considered to be remuneration of a Trustee Director.

Management Oversight Board and Committee Co-optee Remuneration

The number of members of the Management Oversight Board and Committee Co-optees who received a salary in the year fall into the following bands of remuneration payable for the year:

	2023	**2022**
£0-£20,000	-	1
£20,001-£40,000	3	3
£40,001-£60,000	3	3
£80,001-£100,000	1	1

Employee Remuneration

The number of employees, who received more than £60,000 (excluding pension contributions) in the year, fall into the following bands of remuneration payable for the year:

	2023	**2022**
£60,001-£80,000	24	18
£80,001-£100,000	12	10
£100,001-£120,000	7	6
£120,001-£140,000	2	-
£140,001-£160,000	3	3
£160,001-£180,000	2	3
£180,001-£200,000	2	1
£220,001-£240,000	2	2
£240,001-£260,000	1	-
£320,001-£340,000	1	-
£380,001-£400,000	1	1

The ratio of highest paid to median paid employee salary is 9:1 (2022: 9:1).

Notes to the Financial Statements (continued)

The amount payable to those included within the above tables totalled:

	2023	2022
	£m	£m
Trustee Remuneration	0.3	0.2
Management Board & Co-Optee Remuneration	0.3	0.3
Employee Remuneration	5.6	4.8
	6.2	**5.3**

Employees in Trust Pension Schemes

DB

The Trust has no employees that are active members of any of its DB pension schemes. The Trust has employees that are deferred members of its DB pension schemes; CARE and Growth Plan 1 & 2.

DC

The Trust has employees that are members of its Flexible Retirement Plan defined contribution scheme. The contributions paid relating to those employees are listed below.

	2023	2022
	£m	£m
Employer Contributions		
Normal	1.4	1.1
Employee Contributions		
Normal	0.6	0.4
AVC	0.1	0.2
	2.1	**1.7**

Multi-Employer Scheme pension deficits

Under FRS 102 a technical provision to reflect the discounted cash flow of future contributions payable to rectify a participating employer's share of the Trust's deficit must be recognised in the participating employer's Financial Statements. Current and former employees of the Trust have benefits within the Growth Plan and CARE sections of the Trust. The administrative expenses in Note 12 include an amount of £0.6m paid during the year in respect of deficit contributions to those sections. The table below provides an analysis of this sum and also sets out the net present value (PV) of future deficit contributions payable and the Section 75 debt that would be payable in the event of withdrawal:

Notes to the Financial Statements (continued)

	2023	2023	2023
	Deficit contributions	PV of future contributions	S75 debt payable in the event of withdrawal
	£m	£m	£m
Growth Plan	0.2	0.2	1.6
CARE	0.4	1.7	6.9
	0.6	**1.9**	**8.5**

	2022	2022	2022
	Deficit contributions (restated*)	PV of future contributions	S75 debt payable in the event of withdrawal
	£m	£m	£m
Growth Plan	0.3	0.3	3.3
CARE	0.4	2.0	11.4
	0.7	**2.3**	**14.7**

*The deficit contributions have been restated to correctly disclose the split of payments made for Growth Plan and CARE in the prior year.

13. Investment Income

		2023			**2022**	
	DB	**DC**	**Total**	**DB**	**DC**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Dividends from Equities	1.6	-	1.6	6.2	-	6.2
Income from Bonds	12.9	-	12.9	40.8	-	40.8
Rents from Properties	12.9	-	12.9	13.0	-	13.0
Income from PIVs	156.9	13.5	170.4	101.8	12.5	114.3
Income from Insurance Policies	16.3	-	16.3	17.5	-	17.5
	200.6	**13.5**	**214.1**	**179.3**	**12.5**	**191.8**

Notes to the Financial Statements (continued)

14. Reconciliation of Net Investments

	Value at 1 Oct 2022	Purchases at cost and derivative payments	Sale Proceeds and derivative receipts	Transfers between sections	Change in market value	Value at 30 Sept 2023
	£m	£m	£m	£m	£m	£m
Defined Benefit Section						
Equities*	114.6	204.4	(176.4)	5.3	(4.5)	143.4
Bonds	323.7	213.3	(346.0)	-	3.1	194.1
Property	228.6	18.1	(24.3)	-	(53.7)	168.7
Pooled Investment Vehicles	6,805.1	3,797.2	(3,598.7)	-	(1,357.0)	5,646.6
Derivatives - Net	(132.0)	151.7	(154.5)	-	100.7	(34.1)
Insurance Policies	134.9	-	-	-	(15.0)	119.9
AVC Investments	1.1	-	-	-	-	1.1
	7,476.0	**4,384.7**	**(4,299.9)**	**5.3**	**(1,326.4)**	**6,239.7**
Cash (net)	91.0					93.5
Other Investment Balances (net)	(8.9)					173.1
	7,558.1				**-**	**6,506.3**
Defined Contribution Section						
Pooled Investment Vehicles	**2,395.5**	**400.0**	**(159.6)**		**183.7**	**2,819.6**
Expenses Reserve Account Section						
Equities*	**0.3**	**5.0**	**-**	**(5.3)**	**-**	**-**
Total Investments	**9,953.9**				**-**	**9,325.9**

*During the year, the Expenses Reserve Account acquired an additional 5m shares in TPTRSL for a consideration of £5m. The total equity holding of £5.3m was subsequently transferred to the DB section of the Trust and is included within equities.

The change in market value in the previous table excludes movements in respect of Cash and Cash Equivalents (largely due to foreign exchange fluctuations and reclassifications to Other Investment Balances for pending trades) and Fixed Assets. The total change in market value of investments reported in the Fund Account for the year is £(1,142.7)m (2022: £(3,939.3)m) in the Defined Benefit section and £183.7m (2022: £(209.5)m) in the Defined Contribution section.

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs include costs charged to the Trust such as fees, commissions and taxes.

Notes to the Financial Statements (continued)

Direct transaction costs analysed by main asset class and type of cost are as follows:

	2023			
	Fees	**Commission**	**Taxes**	**Total**
	£m	**£m**	**£m**	**£m**
Equities	0.2	0.1	-	0.3

	2022			
	Fees	**Commission**	**Taxes**	**Total**
	£m	**£m**	**£m**	**£m**
Equities	0.6	0.4	-	1.0

In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles.

15. Investment Management Expenses

	2023			2022		
	DB	**DC**	**Total**	**DB**	**DC**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Management, Administration and Custody	32.9	4.2	37.1	43.4	4.0	47.4
Performance Measurement Services	-	-	-	0.1	-	0.1
Investment Consultancy	0.4	-	0.4	0.5	-	0.5
Property Expenses	3.1	-	3.1	3.0	-	3.0
	36.4	**4.2**	**40.6**	**47.0**	**4.0**	**51.0**

16. Property

	2023			2022		
	DB	**DC**	**Total**	**DB**	**DC**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Freehold Property	168.7	-	168.7	228.6	-	228.6
	168.7	**-**	**168.7**	**228.6**	**-**	**228.6**

Notes to the Financial Statements (continued)

The property portfolio was valued as at 30 September 2023 by an independent valuation expert, Cluttons LLP, which is a member of the Royal Institution of Chartered Surveyors, on the basis of fair value. The principal assumptions on which the fair value was based were rental income from current tenants, the remaining term of current leases, discount rates and market rents by area for the locations in which the properties were based. Capital values were also checked against relevant evidence from comparable sales of similar properties.

17. Pooled Investment Vehicles

	2023			2022		
	DB	**DC**	**Total**	**DB**	**DC**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Equities	215.9	2,016.9	2,232.8	375.4	1,776.7	2,152.1
Bonds	1,408.8	635.3	2,044.1	1,209.2	432.5	1,641.7
Property	380.0	97.4	477.4	481.4	120.8	602.2
Hedge Funds	415.5	-	415.5	708.9	-	708.9
Diversified Growth	-	19.8	19.8	-	19.4	19.4
Venture Capital and Partnerships	1,781.0	-	1,781.0	2,304.6	-	2,304.6
Cash	226.9	6.0	232.9	168.5	4.9	173.4
Commodities	4.9	44.2	49.1	1.2	41.2	42.4
Liability Driven Investments	1,213.6	-	1,213.6	1,555.9	-	1,555.9
	5,646.6	**2,819.6**	**8,466.2**	**6,805.1**	**2,395.5**	**9,200.6**

At 30 September 2023 and 30 September 2022, the Trust held Sole Investor Funds, included within Pooled Investment Vehicles above. The portfolios are held with Legal & General Investment Management Limited and Chorus Capital Management Limited and are specifically tailored for the Trust's individual requirements and there are no other investors in them. A breakdown of the underlying investment classes held within the fund has been included in the following table:

Sole Investor Funds

By type:	**2023**	**2022**
	£m	**£m**
Cash & Cash Equivalents	0.8	0.7
Derivatives	30.3	43.4
Total Sole Investor Funds	**31.1**	**44.1**

Notes to the Financial Statements (continued)

18. Derivatives

	2023			2022		
	Assets £m	**Liabilities £m**	**Total £m**	**Assets £m**	**Liabilities £m**	**Total £m**
Over-The-Counter Contracts						
Forward Foreign Currency	4.7	(39.5)	(34.8)	3.0	(138.2)	(135.2)
Options	1.0	(0.3)	0.7	3.8	(0.6)	3.2
	5.7	**(39.8)**	**(34.1)**	**6.8**	**(138.8)**	**(132.0)**

Objectives and Policies for Holding Derivatives

The Trustee has authorised the use of derivative financial instruments by its Investment Managers as part of its investment strategy as follows:

- Forward Foreign Currency: The Trustee uses forward contracts primarily for the purposes of currency risk management.
- Options: The Trustee uses options to adjust the market exposure of its equity holdings. Over the year the Trustee purchased contracts that enabled it to gain some level of protection against losses arising from a fall in equity markets, with the premium paid for receiving this protection offset by selling contracts limiting the upside arising from an equity market rise, also known as an 'equity collar' strategy.

Forward Foreign Currency			**2023**	
Type:	**Expires within**	**Notional Value £m**	**Fair Value Asset £m**	**Fair Value Liability £m**
Buy EUR for GBP (4 contracts)	1 Year	76.2	0.2	-
Buy GBP for EUR (18 contracts)	1 Year	309.9	0.3	(1.5)
Buy GBP for JPY (18 contracts)	1 Year	23.1	0.2	(0.2)
Buy GBP for USD (20 contracts)	1 Year	932.6	-	(37.8)
Buy JPY for GBP (3 contracts)	1 Year	5.6	-	-
Buy USD for GBP (4 contracts)	1 Year	236.2	4.0	-
Total 2023		**1,583.6**	**4.7**	**(39.5)**
Total 2022		**3,447.0**	**3.0**	**(138.2)**

The notional value represents the sterling value of the foreign currency amount of the contract translated at the year-end spot rate.

Notes to the Financial Statements (continued)

Options			**2023**	
Type:	**Expires within**	**Notional Value**	**Fair Value**	
			Asset	**Liability**
		£m	**£m**	**£m**
Put – UK Equity	1 Year	4.0	-	-
Call – UK Equity	1 Year	-	-	(0.1)
Put – European Equity	1 Year	16.0	0.1	-
Call – European Equity	1 Year	-	-	(0.1)
Put – Japanese Equity	1 Year	5.9	0.1	-
Call – Japanese Equity	1 Year	-	-	-
Put – US Equity	1 Year	75.9	0.8	-
Call – US Equity	1 Year	-	-	(0.1)
Total 2023		**101.8**	**1.0**	**(0.3)**
Total 2022		**107.0**	**3.8**	**(0.6)**

The notional value represents the value of the underlying stock protected by the option contracts.

Collateral

Cash collateral of £35.8m (2022: £35.9m (restated)) is held within the Trust assets for unrealised losses on options. The Trust has pledged cash collateral of £27.6m (2022: £27.4 (restated)) as security which is held in an allocated account with the counterparties' custodians. Details of this can be found in note 21.

Notes to the Financial Statements (continued)

19. Insurance Policies

The Trustee holds insurance policies with Rothesay Life, Canada Life, Legal & General Assurance Society Limited and a number of sundry insurers, as noted below, which provide annuity income to cover pensions for certain members and their beneficiaries. The valuation of these policies is completed by TPT's In-house Actuary and Mercer UK.

	2023	**2022**
	£m	**£m**
Insurance policies with Rothesay Life	91.6	103.7
Insurance policies with Canada Life	10.6	11.8
Insurance policies with Legal & General Assurance Society Limited	9.4	9.6
Insurance policies with OneFamily	2.7	2.9
Insurance policies with Prudential	2.5	2.8
Insurance policies with abrdn	1.9	2.2
Insurance policies with Aviva Life	0.5	1.1
Insurance policies with Just Retirement	0.4	0.5
Insurance policies with Aegon Scottish Equitable	0.1	0.1
Insurance policies with Royal National Pension Fund for Nurses	0.1	0.1
Insurance policies with Partnership	0.1	0.1
	119.9	**134.9**

Notes to the Financial Statements (continued)

The table below summarises the main financial and demographic assumptions used for the valuations of insurance policies as at 30 September 2023 and 30 September 2022:

Scheme funding assumptions	2023 Nominal (%pa)	2022 Nominal (%pa)
Valuation discount rate	Gilt Curve plus 0.5%	Gilt Curve plus 0.5%
Price inflation (RPI)	RPI Inflation Curve	RPI Inflation Curve
Pension increases (where not fixed):		
In line with RPI up to 5% p.a. In line with RPI up to 2.5% p.a.	In line with inflation assumptions with relevant caps and collars, and adjusted in line with statistical distribution for increases in payment. The model used is Black-Scholes with 1.75% p.a. volatility.	
Post retirement mortality:		
Base Table	106% of S3PMA (males) and 106% of S3PFA (females) projected to the valuation date	106% of S3PMA (males) and 106% of S3PFA (females) projected to the valuation date
Improvements to mortality	CMI_2022 (A=0.25%) [S=7, 1.50%] for males CMI_2022 (A=0.25%) [S=7, 1.25%] for females W2020 = W2021 = 0% W2022 = 25%	CMI_2021 (A=0.25%) [S=7, 1.50%] for males CMI_2021 (A=0.25%) [S=7, 1.25%] for females W2020 = 0% W2021 = 10%

20. Additional Voluntary Contributions (AVC) Investments

Members of the DC section are allowed to pay contributions at a higher rate than required by the Rules. These contributions are co-invested with other DC assets and are not separately distinguishable.

Money purchase AVCs are held within the DB section of the Trust and are listed below.

	2023 £m	2022 £m
AVC Investments with abrdn	0.6	0.6
AVC Investments with Aviva Life	0.3	0.3
AVC Investments with Royal London	0.1	0.1
AVC Investments with Utmost Life	0.1	0.1
	1.1	**1.1**

Notes to the Financial Statements (continued)

21. Cash and Other Investment Balances

	2023			2022		
	DB	DC	Total	DB	DC	Total
	£m	£m	£m	£m	£m	£m
Cash – Sterling	79.2	-	79.2	65.4	-	65.4
Cash – Foreign Currency	3.2	-	3.2	20.4	-	20.4
Cash – Collateral Held	35.8	-	35.8	35.9	-	35.9
	118.2	**-**	**118.2**	**124.7**	**-**	**124.7**
Cash – Collateral Pledged	(27.6)	-	(27.6)	(27.4)	-	(27.4)
Cash – Overdrawn Balance*	-	-	-	(6.3)	-	(6.3)
	(27.6)	**-**	**(27.6)**	**(33.7)**	**-**	**(33.7)**
Amounts due from Brokers	13.5	-	13.5	269.1	-	269.1
Accrued Investment Income	3.5	-	3.5	6.0	-	6.0
Pending transactions	172.4	-	172.4	3.0	-	3.0
	189.4	**-**	**189.4**	**275.1**	**-**	**275.1**
Amounts due to Brokers	(13.4)	-	(13.4)	(284.0)	-	(284.0)
	(13.4)	**-**	**(13.4)**	**(284.0)**	**-**	**(284.0)**
	266.6	**-**	**266.6**	**82.1**	**-**	**82.1**

**As a result of significant market volatility, short-term overdraft facilities were used as at 30 September 2022 to ensure increased collateral calls on the Trust's LDI funds were met at short notice.*

22. Stock Lending

Securities which were on loan at the year end are included in the Statement of Net Assets and refer to the Trust's ongoing economic interest in such securities. At 30 September 2023, £2.9m equities and £11.2m bonds (2022: £4.9m equities and £16.2m bonds) were on loan through the stock-lending programme managed by the Custodian. In exchange the Custodian held collateral of £14.6m (2022: £22.1m) in the form of obligations issued or guaranteed by the governments of Organisation for Economic Co-operation and Development (OECD) member states, as well as supranational debt, which is not included in the Statement of Net Assets. Collateral is only held for stock that is out on loan. As the amount of securities out on loan has reduced in 2023, the amount of collateral has also reduced. All assets that are included in a stock-lending arrangement have been classified within the relevant investment category within investment assets.

23. Defined Contribution Assets

Defined Contribution section investments purchased by the Trust are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment managers hold the investment units on a pooled basis for the Trustee. The Defined Contribution Administrator allocates investment units to members.

All the Defined Contribution Assets are allocated to members (2022: all).

Notes to the Financial Statements (continued)

24. Fair Value of Investments

The fair value of investments has been determined using the following hierarchy.

Investment Category	Description
Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included in Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Trust's investment assets and liabilities have been included at fair value within these categories as follows:

Category:				2023
	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Defined Benefit Section				
Investment Assets				
Equities	138.1	-	5.3	143.4
Bonds	44.4	149.7	-	194.1
Property	-	-	168.7	168.7
Pooled Investment Vehicles	-	2,261.4	3,385.2	5,646.6
Derivatives	-	-	5.7	5.7
Insurance Policies	-	-	119.9	119.9
AVC Investments	-	1.1	-	1.1
Cash	118.2	-	-	118.2
Other Investment Balances	189.4	-	-	189.4
	490.1	**2,412.2**	**3684.8**	**6,587.1**
Investment Liabilities				
Derivatives	-	-	(39.8)	(39.8)
Cash and Cash Equivalents	(27.6)	-	-	(27.6)
Other Investment Balances	(13.4)	-	-	(13.4)
	(41.0)	**-**	**(39.8)**	**(80.8)**
Total Defined Benefit	**449.1**	**2,412.2**	**3,645.0**	**6,506.3**
Defined Contribution Section				
Pooled Investment Vehicles	-	2,814.3	5.3	2,819.6
Total Defined Contribution	**-**	**2,814.3**	**5.3**	**2,819.6**
Total Investments	**449.1**	**5,226.5**	**3,650.3**	**9,325.9**

Notes to the Financial Statements (continued)

Pooled investment vehicles which are traded regularly are generally included in level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair values applies, valuation techniques are adopted and the vehicles are included in level 3 as appropriate.

The value of other pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustee. Where the value of the pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustments are made. No such adjustments have been made to the valuations at 30 September 2023 (2022: none).

Analysis for the prior year end is as follows:

Category:				**2022**
	Level 1	**Level 2**	**Level 3**	**Total**
	£m	**£m**	**£m**	**£m**
Defined Benefit Section				
Investment Assets				
Equities	114.2	0.4	-	114.6
Bonds	1.8	321.9	-	323.7
Property	-	-	228.6	228.6
Pooled Investment Vehicles	-	2,234.5	4,570.6	6,805.1
Derivatives	-	-	6.8	6.8
Insurance Policies	-	-	134.9	134.9
AVC Investments	-	1.1	-	1.1
Cash	124.7	-	-	124.7
Other Investment Balances	275.1	-	-	275.1
	515.8	**2,557.9**	**4,940.9**	**8,014.6**
Investment Liabilities				
Derivatives	-	-	(138.8)	(138.8)
Cash and Cash Equivalents	(33.7)	-	-	(33.7)
Other Investment Balances	(284.0)	-	-	(284.0)
	(317.7)	**-**	**(138.8)**	**(456.5)**
Total Defined Benefit	**198.1**	**2,557.9**	**4,802.1**	**7,558.1**
Defined Contribution Section				
Pooled Investment Vehicles	-	2,389.6	5.9	2,395.5
Total Defined Contribution	**-**	**2,389.6**	**5.9**	**2,395.5**
Expenses Reserve Account				
Equities	-	0.3	-	0.3
Total Expenses Reserve Section	**-**	**0.3**	**-**	**0.3**
Total Investments	**198.1**	**4,947.8**	**4,808.0**	**9,953.9**

Notes to the Financial Statements (continued)

25. Concentration of Investments

The following investments exceeded 5% of the Trust's net assets at the financial year-end.

	2023		2022	
	Value £m	%	Value £m	%
BlackRock Investment Management (UK) Limited – Liability Solutions III Tailored Fund	971.4	10.3	1,271.5	12.6
BlackRock Investment Management (UK) Limited – Liability Leveraged Fund	563.1	6.0	438.8	4.4

26. Investment Risks

Types of Risk Relating to Investments

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit Risk: The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market Risk: The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

- **Currency Risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest Rate Risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other Price Risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Notes to the Financial Statements (continued)

In the following table, the risk noted affects the asset class [●] significantly, [◐] partially or [○] hardly/ not at all.

	Credit Risk	Market Risk: Currency Risk	Market Risk: Interest Rate Risk	Market Risk: Other Price Risk	2023 £m	2022 £m
DB Section						
Equities	○	◐	○	●	143.4	114.6
Bonds	●	◐	●	◐	194.1	323.7
Property risks	◐	○	○	●	168.7	228.6
Pooled Investment Vehicles					5,646.6	6,805.1
Direct exposure	●	○	○	○		
Indirect exposure	◐	◐	◐	◐		
Derivatives	◐	◐	●	◐	(34.1)	(132.0)
AVC Investments	◐	◐	◐	◐	1.1	1.1
Insurance Policies	◐	○	●	○	119.9	134.9
Cash Deposits and Other Net Investment Assets	●	◐	●	○	266.6	82.1
					6,506.3	**7,558.1**
DC Section						
Pooled Investment Vehicles	●	◐	◐	◐	2,819.6	2,395.5
					2,819.6	**2,395.5**

Notes to the Financial Statements (continued)

Defined Benefit Section

Investment Strategy

In the year under review, the Trustee's objective was to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns sufficient to meet, together with future contributions, the benefits payable under the Rules as they fall due.

The Trust is a multi-employer pension scheme that provides tailored investment solutions for a number of underlying DB sections. In order to achieve its objective the Trustee constructs pools of assets that are then used to determine scheme-specific investment strategies tailored to meet their individual set of liabilities.

The Trustee has delegated the power to set investment strategy to its Investment Committee and Funding Committee. In summary, the Investment Committee determines the strategic asset allocation and fund selection, after taking advice from the Trust's independent investment consultants, for the various pools of assets from which the scheme-specific strategies are drawn. The Funding Committee sets scheme-specific asset allocation strategies at the same time as assessing scheme-specific funding needs.

When constructing the pools of assets from which scheme-specific investment strategies are drawn the Investment Committee considers a number of factors including, but not limited to, the expected risk and return of each asset class, diversification benefits, liquidity requirements and fees. In order to support its decision-making the Investment Committee takes independent advice from the Trust's investment consultants, as well as receiving input from the Trust's Chief Investment Officer.

In October 2021, the Trustee reviewed a set of 10 Investment Beliefs that the Investment Committee must use as a framework when making decisions and agreeing the investment strategy. These Investment Beliefs can be found in full on the Trust's website.

In October 2021, the Trustee also reviewed a set of 9 Responsible Investment Principles which are used in conjunction with the Investment Beliefs to inform the investment strategy. The Responsible Investment Principles can be found in full on the Trust's website.

The Trustee employs third party fund managers to implement the investment strategy, meaning that the Trust does not manage any money in-house. The Trust uses a combination of both passive and active investments depending on the perceived ability to add value in the relevant area. Fund managers are monitored on an ongoing basis by both the Investment Committee and the in-house Investment Management Team, and are met with at least annually.

When considering the investment strategy on a scheme-specific basis for each section of the Trust, the Funding Committee takes into account a number of considerations such as the strength of the employer covenant, the long-term liabilities of the scheme, the appetite for investment risk and the funding strategy agreed with the employer(s). These are reviewed at least every three years in line with the scheme's valuation to ensure that the strategy remains appropriate.

Notes to the Financial Statements (continued)

Credit Risk

The Trust is subject to direct credit risk because it invests in bonds, commercial property, over-the-counter (OTC) derivatives, has cash equivalents and undertakes stock-lending activities. The Trust also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the provider of the pooled investment vehicle and also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

A summary of exposures to credit risk is given in the following table. The notes below explain how this risk is managed and mitigated for the different asset classes.

	2023	2022
DB Investments exposed to Credit Risk	**£m**	**£m**
Bonds	194.1	323.7
Property	168.7	191.9
Pooled Investment Vehicles:		
Bond Funds (Direct and Indirect)	1,408.8	1,209.2
Other Funds (Direct Risk only)	4,237.8	5,595.9
Derivatives:		
Assets	5.7	6.8
Liabilities	(39.8)	(138.8)
Insurance Policies	119.9	134.9
AVC Investments	1.1	1.1
Cash Deposits and Other Net Investment Assets	266.6	82.1
	6,362.9	**7,406.8**

Credit risk arising on bonds held directly is mitigated by ensuring that the investment manager has a suitable framework in place for assessing the creditworthiness of the counterparty and that the credit rating of the bonds matches the desired risk profile of the mandate. Similarly, the credit risk arising from the letting of commercial property is mitigated by ensuring that the tenant has an appropriate covenant to ensure that rents are paid as they fall due.

The Trustee considers financial instruments or counterparties to be of investment grade if they are rated at BBB– or higher by S&P or Fitch or rated at Baa3 or higher by Moody's.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. Indirect credit risk arises in relation to underlying investments held in a number of the pooled investment vehicles and qualifying investment funds. This risk is mitigated by ensuring that appropriate due diligence is carried out on the pooled manager's investment process at appointment.

OTC derivative contracts are not guaranteed by any regulatory exchange and therefore the Trust is subject to the risk of failure of the counterparty. The credit risk for OTC contracts is reduced by collateral arrangements (see note 18). Credit risk also arises on forward currency contracts where

Notes to the Financial Statements (continued)

there are no collateral arrangements; however, all counterparties are required to be at least investment grade. Cash on deposit is held within financial institutions that have an investment grade credit rating.

The Trust manages the credit risk arising from stock-lending activities by restricting the amount of overall stock that may be lent, only lending to approved borrowers who are rated two notches above investment grade and putting in place collateral arrangements (see note 22).

Cash on deposit is held within financial institutions that have an investment grade credit rating.

A summary of pooled investment vehicles by type of arrangement is as follows:

DB Section	**2023**	**2022 (restated*)**
Legal nature of the pooled arrangements:	**£m**	**£m**
Authorised Unit Trust	2,456.7	2,451.1
Partnerships	1,715.1	2,216.7
Unit linked insurance contracts	598.8	758.6
Open ended investment company	520.4	1,051.2
Cash	214.6	155.8
Closed ended funds	53.6	89.9
Société d'Investissement à Capital Variable (SICAV)	50.2	37.7
Sole investor authorised fund	31.1	44.1
Exchange Traded Commodities	6.1	-
	5,646.6	**6,805.1**

*Reclassification of the legal nature from unit linked insurance contracts to cash

Currency Risk

The Trust is subject to currency risk because some of the investments are held in overseas markets, either as segregated investments (direct exposure) or via pooled investment vehicles (indirect exposure). To mitigate this risk, the Trustee has put in place a currency hedging arrangement and hedges the exposures to the major currencies, being USD, EUR (as a proxy for European currency exposure) and JPY in line with the percentages below:

- Developed market equities: 70%
- Emerging market debt: 70%
- Other asset classes: 100%

Some assets recognise the currency risk as part of the overall fund strategy and therefore it is recognised that no additional hedging is required in respect of these assets.

Notes to the Financial Statements (continued)

The net currency exposure at the current and previous year ends was as follows:

	Direct Exposure £m	Indirect Exposure £m	Hedging £m	2023 Net Exposure after Hedging £m	2022 Net Exposure after Hedging £m
Euros (EUR)	19.4	(1.9)	(235.6)	(218.1)	3.6
US Dollars (USD)	381.3	1,284.0	(663.4)	1,001.9	93.5
Japanese Yen (JPY)	536.9	-	(16.1)	520.8	6.2
Other Currencies	182.1	-	-	182.1	51.9
	1,119.7	**1,282.1**	**(915.1)**	**1,486.7**	**155.2**

Interest Rate Risk

The Trust is subject to interest rate risk because some of the investments are held in bonds, interest rate swaps or repos (either segregated investments or through pooled investment vehicles), and cash.

A summary of exposures to interest rate risk is given in the following table:

DB Investments exposed to Interest Rate Risk	**2023 £m**	**2022 £m**
Bonds	194.1	323.7
Pooled Investment Vehicles:		
Bond Funds (Indirect)	1,408.8	1,209.2
Derivatives:		
Assets	5.7	6.8
Liabilities	(39.8)	(138.8)
Insurance Policies	119.9	134.9
AVC Investments	1.1	1.1
Cash Deposits and Other Net Investment Assets	266.6	82.1
	1,956.4	**1,619.0**

Other Price Risk

The Trust is subject to other price risk, principally in relation to the growth assets which include directly held equities, equities held through pooled vehicles, commercial property, unlisted infrastructure and a range of strategies that aim to produce absolute returns in all market environments. There is also more limited exposure to other price risk within the Matching-Plus Portfolio, principally in relation to the allocation to commercial property.

The Trustee manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

Notes to the Financial Statements (continued)

A summary of exposures to other price risk is given in the following table.

	2023	**2022**
DB Investments exposed to Other Price Risk	**£m**	**£m**
Equities	143.4	114.6
Bonds	194.1	323.7
Property Let to Tenants	168.7	191.9
Pooled Investment Vehicles:		
Other Funds (Indirect)	4,237.8	5,595.9
Derivatives:		
Assets	5.7	6.8
Liabilities	(39.8)	(138.8)
AVC Investments	1.1	1.1
	4,711.0	**6,095.2**

Defined Contribution Section

Investment Strategy

The Trustee's objective is to make available to members an appropriate range of investment options designed to generate income and capital growth which, together with new contributions from members and their employers, will provide a retirement amount with which the member can purchase an annuity or other types of retirement solution.

In order to achieve this objective the Trust offers a range of Target Date Funds and Ethical Target Date Funds managed by AllianceBernstein Limited alongside a number of self–select funds. These funds sit on an investment platform provided by Phoenix Life Limited.

The Trust monitors the underlying risks through annual investment reviews with AllianceBernstein Limited.

Credit Risk

The DC Section is subject to direct credit risk in unit linked insurance funds provided by Phoenix Life Limited.

The DC Section is also subject to indirect credit and market risk arising from the underlying investments held in the Target Date Funds, Ethical Target Date Funds and self-select options. Member-level risk exposures will be dependent on the funds in which members are invested.

Notes to the Financial Statements (continued)

Fund	Exposed to indirect:	Credit Risk
Target Date Funds		✓
Ethical Target Date Funds		✓
Diversified Growth Fund		✓
Global Equity Fund		-
SRI Fund		-
Property Fund		✓
Index-Linked Gilts Fund		✓
Bond Fund		✓
Cash Fund		✓

A summary of pooled investment vehicles by type of arrangement is as follows:

DC Section	**2023**	**2022**
Legal nature of the pooled arrangements:	**£m**	**£m**
Unit linked insurance contracts	2,819.6	2,395.5

Market Risk

The DC Section is subject to indirect foreign exchange, interest rate and other price risk arising from underlying financial instruments held in the funds on the Phoenix Life Limited platform.

Fund	Exposed to indirect:	Currency Risk	Interest Rate Risk	Other Price Risk
Target Date Funds		✓	✓	✓
Ethical Target Date Funds		✓	✓	✓
Diversified Growth Fund		✓	✓	✓
Global Equity Fund		✓	-	✓
SRI Fund		✓	-	✓
Property Fund		-	-	✓
Index-Linked Gilt Fund		-	✓	-
Bond Fund		-	✓	-
Cash Fund		-	✓	-

Notes to the Financial Statements (continued)

27. Fixed Assets

	DB Freehold Office £m	Expenses Reserve Computers and Software £m	Expenses Reserve Equipment and Fittings £m	Total £m
Cost or Valuation				
At 1 October 2022	7.7	2.2	1.4	11.3
Additions	-	2.3	0.3	2.6
Revaluation	(2.5)	-	-	(2.5)
At 30 September 2023	**5.2**	**4.5**	**1.7**	**11.4**
Accumulated Depreciation				
At 1 October 2022	-	(1.7)	(1.4)	(3.1)
Charge for the year	-	(0.3)	(0.2)	(0.5)
At 30 September 2023	**-**	**(2.0)**	**(1.6)**	**(3.6)**
Net Book Value				
At 1 October 2022	7.7	0.5	-	8.2
At 30 September 2023	**5.2**	**2.5**	**0.1**	**7.8**

Freehold Office

The freehold office in Leeds is substantially occupied by the Trust. It has been revalued as at 30 September 2023 by an independent valuer, Cluttons LLP, which is a member of the Royal Institution of Chartered Surveyors, on the basis of its estimated open market value for existing use.

If the freehold office had not been revalued, it would have been carried in the Statement of Net Assets at the year end as:

	2023 £m	2022 £m
Cost	8.1	8.1
Accumulated Depreciation	(5.6)	(5.4)
Net Book Value	**2.5**	**2.7**

Notes to the Financial Statements (continued)

28. Current Assets

	2023				2022			
	DB £m	DC £m	Expenses Reserve £m	Total £m	DB £m	DC £m	Expenses Reserve £m	Total £m
Contributions due in respect of:								
Employers	28.4	20.8	-	49.2	25.9	17.8	-	43.7
Employees	0.7	9.1	-	9.8	0.2	9.1	-	9.3
Other Debtors	5.3	7.1	9.1	21.5	0.5	0.8	9.5	10.8
Prepayments	-	-	3.0	3.0	0.5	-	2.6	3.1
Cash Balances	18.7	12.4	28.0	59.1	20.5	10.0	27.2	57.7
	53.1	**49.4**	**40.1**	**142.6**	**47.6**	**37.7**	**39.3**	**124.6**

Details of Employer-Related Investments relating to contributions due at the year end are included in note 30.

29. Current Liabilities

	2023				2022			
	DB £m	DC £m	Expenses Reserve £m	Total £m	DB £m	DC £m	Expenses Reserve £m	Total £m
Unpaid Benefits	2.0	4.6	-	6.6	3.4	5.2	-	8.6
Tax Deducted from Pensions	0.1	0.7	-	0.8	0.2	0.4	-	0.6
Other Creditors	46.9	-	7.6	54.5	6.7	-	8.1	14.8
Accrued Expenses	4.5	-	13.4	17.9	3.9	-	7.0	10.9
	53.5	**5.3**	**21.0**	**79.8**	**14.2**	**5.6**	**15.1**	**34.9**

30. Related Party Transactions

Key management personnel

Contributions (note 5) and contributions receivable (note 28) include amounts in respect of two Trustees and pensions paid (note 8) include amounts in respect of two Trustees (2022: contributions two Trustees, pensions one Trustee).

Contributions received in respect of Trustee Directors who are members of the Trust have been made in accordance with the Rules.

In addition, contributions were received or are receivable in respect of one spouse of a Trustee (2022: one).

Fees and expenses of £0.2m (2022: £0.2m) were paid to the Trustee Directors.

Notes to the Financial Statements (continued)

Employer-Related Investments

The Trust invests in various housing bonds, whose underlying borrowers are drawn from a pool of registered social landlords. The names of the actual borrowers are not disclosed and can vary over time. Given the number of registered social landlords that participate in the Trust, it is possible that these are technically Employer-Related Investments. The value of the Trust's holdings in these bonds at 30 September 2023 was £4.3m (2022: £14.3m), which represents less than 1% of the Trust's net assets.

Employer-Related Investments include contributions that were received later than the due date set out on the Schedules of Contributions. As at 30 September 2023, £0.5m (2022: £0.2m) of outstanding contributions were received late; this included defined benefit employer normal, employee normal and deficit funding contributions. The value of late contributions outstanding at both year-end dates represents less than 0.1% of the Trust's net assets. At the date of signing, there were no outstanding contributions in relation to the year ended 30 September 2023.

The Trust occupies part of Verity House, Leeds. The Trust owns the freehold of this office building. The full value of this building is included in fixed assets at a revalued amount of £5.2m (2022: £7.7m) being 0.1% of the net assets of the Trust (2022: 0.1%).

Not more than 5% of the current market value of the Trust may at any time be Employer-Related Investments as defined in Section 40 of the Pensions Act 1995.

Pension contributions in respect of the Trust's employees are included in notes 5 and 12.

TPT Retirement Solutions Limited

The Trust owns 5,320,001 (2022: 320,001) ordinary shares of £1 each, in TPT Retirement Solutions Limited ("TPTRSL"), a wholly-owned subsidiary of Verity Trustees Limited in its capacity as Trustee of The Pensions Trust. The £5.3m investment is included within equities in note 14 in the DB section (2022: £0.3m in the ERA section).

The Pensions Trust 2016

The Trustee, Verity Trustees Limited, is also the Trustee of The Pensions Trust 2016. All of the Trustee Directors serve as Trustee Directors for each Trust.

The Trust received £1.0m (2022: £0.9m) in the year from The Pensions Trust 2016 in respect of the administration and management of the Trust over the period 1 October 2022 to 31 August 2023. A further £0.1m is due in respect of September 2023 (2022: £0.1m) and is included as a debtor.

The Trust received £0.5m (2022: £0.3m) in the year from The Pensions Trust 2016 in respect of the administration, management and custody of its investments over the period 1 October 2022 to 30 September 2023.

Notes to the Financial Statements (continued)

31. Contingent Liabilities, Commitments and Other Contractual Arrangements

As at 30 September 2023 there were no contingent assets at the year end. The Trust was party to 32 (2022: 32 (restated)) other contractual arrangements in relation to 32 employers (2022: 32 employers) that participate in the Trust. These comprised charges on property, company guarantees, bank guarantees and escrow accounts. The contractual arrangements relate to the admission and continued participation of certain employers in the Trust, to the apportionment of withdrawing employers' share of the deficit to other participating employers within the same scheme or to provide security to support an extended recovery plan. The circumstances in which these assets will become the property of the Trust are set out in agreements with the relevant employers. As at 30 September 2023 the Trust had the following contingent liabilities:

GMP Equalisation

Between 1978 and 2016, it was possible to contract out of part of the State Pension by being a member of an occupational pension scheme that met certain conditions. Where the scheme was contracted out, members and the employer paid a reduced rate of National Insurance to reflect the fact that the Scheme would provide benefits to replace some of the members' state pension rights. Between 1978 and 1997, contracted out defined benefit schemes were required to provide a Guaranteed Minimum Pension for each member. From 1997 to 2016 different rules applied.

In October 2018, the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. On 20 November 2020, the High Court issued a follow-on judgement in the Lloyds case and ruled that pension schemes will also need to revisit individual transfer payments made since 17 May 1990 to consider if any additional value is due as a result of GMP equalisation.

The Trustee is aware that this issue will affect each of the previously contracted out defined benefit schemes in the Trust and will be considering this matter at future meetings during which decisions will be made as to the next steps. An approximate allowance has been made in each affected scheme's actuarial valuation, with the typical impact being an increase in liabilities of less than 2%.

Historic Benefit Review

The Trustee has performed a review of historic changes made to the Trust Deed and Rules and the benefits of all of the Schemes in the Trust and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the High Court on these benefit changes and the case will be heard by the High Court in February 2025. The Trustee will present the case that the Schemes should continue to be administered as they are now. If this is the outcome there will be no changes to members' benefits. However, if the outcome of the Court case is that some changes to Scheme Rules have not been validly made this may increase benefits for some members, resulting in arrears being due in respect of benefits that have already been paid. The court case is complex and there are multiple possible outcomes. It is therefore not possible to estimate with any reliability the quantum of any potential arrears that may be due to members, and any future rectification costs.

Notes to the Financial Statements (continued)

Commitments

The Trust has made capital commitments in respect of a number of direct lending, infrastructure and risk-sharing funds. The balance of the commitments can be drawn down by the Investment Manager when required to fund purchases and costs. At the year end, the outstanding commitments were:

	2023 Committed (Local CCY)*	Outstanding at 30 Sept 23 (Local CCY)	2022 Committed (Local CCY)	Outstanding at 30 Sept 22 (Local CCY)
Infrastructure	€84.8m	-	€84.2m	€0.9m
Infrastructure	$100.0m	$26.1m	$732.0m	$35.2m
Risk Sharing	£621.5m	£32.7m	£591.0m	£36.4m
Long Income	£10.0m	£10.0m	£10.0m	-
Renewable Infrastructure	€120.0m	€46.5m	€120.0m	€52.3m
Renewable Infrastructure	$140.0m	$107.6m	$140.0m	$124.0m
Core Property	£9.6m	£0.1m	-	-

*£ (GBP), $ (USD), € (EUR)

32. Operating Lease Commitments

The total of future minimum lease payments under non-cancellable operating leases analysed by period is shown below.

	2023 £m	2022 £m
Under one year	-	-
Between one year and five years	0.2	0.2

33. Subsequent Events

On 2 October 2023, the Trustee entered into a Pensions Management Service Agreement ("PMSA") with TPTRSL and a Fiduciary Management Agreement ("FMA") with TPT Investment Management Limited ("TPTIM").

TPTIM was incorporated on 7 December 2022 and is a wholly owned subsidiary of TPTRSL.

As part of the corporate restructure, the transfer of Verity Trustees Limited staff to TPTRSL took place on 2 October 2023, through a TUPE process. In addition, Asset Transfer Agreements ("ATA's") were entered into between the Trustee and TPTRSL, and the Trustee and TPTIM, resulting in a transfer of assets and liabilities to the trading companies.

Notes to the Financial Statements (continued)

34. Expenses Reserve Account

The Trust operates an Expenses Reserve Account to ensure that administrative and investment management expenses are allocated to individual schemes on a smoothed basis. All administrative and investment management expenses incurred by the Trust are charged to this account prior to allocation to individual schemes.

	2023 £m	2022 £m
Administrative expenses allocated during the year	25.0	22.1
Investment management expenses allocated during the year	5.0	3.9
Life Assurance income	8.7	7.8
Bank Interest received	1.0	0.1
Total transfers to the Expenses Reserve Account	**39.7**	**33.9**
Administrative expenses incurred during the year	(26.0)	(22.6)
Investment management expenses incurred during the year	(4.2)	(3.7)
Life Assurance Premiums	(7.5)	(6.7)
Total transfers from the Expenses Reserve Account	**(37.7)**	**(33.0)**
Net transfer to the Expenses Reserve Account during the year	2.0	0.9
Transfer of TPTRSL to DB Section*	(5.3)	-
Balance brought forward	25.0	24.1
Balance carried forward	**21.7**	**25.0**

Summary of Section

	2023 £m	2022 £m
DB Section	6,511.1	7,599.2
DC Section	2,863.7	2,427.6
Expenses Reserve Account	21.7	25.0
	9,396.5	**10,051.8**

**During the year, the Trust's investment in TPTRSL was transferred from the ERA section to the DB section with the carrying value allocated across the segregated sections.*

Summary of Actuarial Certificates

The Pensions Trust is a multi-employer pension scheme where the Scheme's Actuary has signed actuarial certificates. The following two statements have been given by the Actuary together with the signature and details of the Actuary.

Statement 1

> I certify that, in my opinion, the calculation of the scheme's technical provisions as at 30 September 202X is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the scheme and set out in the Statement of Funding Principles dated (i.e. signed on behalf of the Trustee on) [Date].

Statement 2

> ### Adequacy of rates of contributions
>
> 1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that –
>
> the Statutory Funding Objective could have been expected on 30 September 202X to be met by the end of the period specified in the recovery plan dated (i.e. signed on behalf of the Trustee on) [Date].
>
> ### Adherence to statement of funding principles
>
> 2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated (i.e. signed on behalf of the Trustee on [Date]).
>
> The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

The dates of the last triennial actuarial valuation and the dates of the Actuary's certification of that valuation for each pension scheme are listed below.

In interim years where no triennial actuarial valuation is required, an Actuarial Report is produced to provide an update on the funding position of the scheme. The date of the latest Actuarial Report for each scheme is detailed in the below table.

Summary of Actuarial Certificates (continued)

Scheme	Year of Triennial Valuation as at 30 September	Date of Certification of Schedule of Contributions	Date of Actuarial Report
A2Dominion Benefit Scheme	2021	19 December 2022	30 September 2022
ABRI Group Limited Pension Scheme	2022	15 December 2023	30 September 2021
Action for Blind People Final Salary Pension Scheme	2020	21 December 2021	30 September 2022
Anchor Trust Final Salary Scheme	2021	16 December 2022	30 September 2022
Arthritis Care Pension Scheme	2021	15 December 2022	30 September 2022
Bromford DB Scheme	2021	15 December 2022	30 September 2022
CARE Scheme	2022	16 November 2023	30 September 2021
Christian Aid Final Salary Scheme (1988)	2020	03 December 2021	30 September 2022
Flagship Housing Group ex-SHPS Scheme	2022[1]	23 November 2023	30 September 2022
Growth Plan Series 1, 2 and 3	2020	19 November 2021	30 September 2022
Guinness Partnership Pension Scheme	2021	19 December 2022	30 September 2022
Housing Plus Pension Scheme	2022	14 December 2023	30 September 2021
Independent Schools' Pension Scheme	2020	22 December 2021	30 September 2022
Independent Age Final Salary Scheme	2022	13 December 2023	30 September 2021
Leonard Cheshire Disability Group Pension Scheme	2021	21 December 2022	30 September 2022
Manchester Grammar Pension Scheme	2020	20 December 2021	30 September 2022
Methodist Homes for the Aged Final Salary Pension Scheme	2021	7 September 2022	30 September 2022
MIND (The National Association for Mental Health) Final Salary Scheme	2022	18 December 2023	30 September 2021
Moat Homes Pension Scheme	2023[1]	25 October 2022[2]	N/A
National Council for Voluntary Organisations Final Salary Pension Scheme	2022	21 December 2023	30 September 2021
Northern Ireland Charities Pension Scheme	2022	18 December 2023	30 September 2021
Notting Hill Genesis Pension Scheme	2022	18 December 2023	30 September 2021
Notting Hill Genesis 2023 Pension Scheme	2024	1 December 2023[2]	N/A
OHG (ex SHPS) DB Scheme	2023[1]	28 March 2023[2]	N/A
Optivo Defined Benefit Pension Scheme	2020	22 September 2021	30 September 2022
Oxfam Pension Scheme	2022	21 December 2023	30 September 2022
Paddington Churches Housing Association 2001 Pension Scheme	2022	12 September 2023	30 September 2021
Riverside DB Scheme	2020	20 December 2021	30 September 2022
Royal College of Nursing of the United Kingdom Pension Scheme	2022	15 December 2023	30 September 2021
Royal National College for the Blind Defined Benefit Scheme	2022	21 December 2023	30 September 2021

Summary of Actuarial Certificates (continued)

Sanctuary Housing Association Final Salary Pension Scheme	2022	12 December 2023	30 September 2021
Scottish Housing Associations' Pension Scheme	2021	30 November 2022	30 September 2022
Scottish Voluntary Sector Pension Scheme	2020	19 May 2022	30 September 2022
SeeABILITY Pension Scheme	2020	07 December 2021	30 September 2022
Social Housing Pension Scheme	2020	27 October 2021	30 September 2022
Sovereign Pension Plan	2020	16 December 2021	30 September 2022
St Mungo's Defined Benefit Scheme	2021	19 December 2022	30 September 2022
Stonham Final Salary Pension Scheme	2021	21 December 2022	30 September 2022
The Children's Society Pension Scheme	2021	16 December 2022	30 September 2022
The Clarion Housing Group Pension Scheme	2021	13 December 2022	30 September 2022
The Harpur Trust Pension Scheme for Non-Teaching Staff	2021	08 December 2022	30 September 2022
The Livability Final Salary Pension Scheme	2021	18 April 2023	30 September 2022
The Orbit Group Defined Benefit Pension Scheme	2020	14 December 2021	30 September 2022
The Oxford Diocesan Board of Finance Staff Retirement Benefit Scheme	2020	21 December 2021	30 September 2022
The Save the Children Defined Benefit Scheme	2020	17 November 2021	30 September 2022
The Together Trust Final Salary Scheme	2021	21 December 2022	30 September 2022
The Winchester College Support Staff Pension Scheme	2020	21 December 2021	30 September 2022
Thirteen Housing Group Pension Scheme	2022	15 December 2023	N/A
United Reformed Church Final Salary Scheme	2022	19 December 2023	30 September 2021
VIVID Housing Defined Benefit Scheme	2021	08 December 2022	30 September 2022
Wales & West Housing Group Pension Plan	2022	18 July 2023	N/A
Workers' Educational Association Pension Scheme	2020	16 December 2021	30 September 2022
YHA (England & Wales) Pension Scheme	2020	22 December 2021	30 September 2022

[1] *New Scheme, valuation to be performed as at 30 September 2023.*

[2] *Interim Schedule of Contributions is in place until the completion of the 30 September 2023 actuarial valuation.*

Copies of the above certificates are available on request from the address for enquiries on page 3.

Appendix 1 – Trustee Statement of Investment Principles

Trustee Statement of Investment Principles

Defined Contribution Elements

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

1. Introduction

1.1. TPT Retirement Solutions consists of two occupational pension schemes, The Pensions Trust (TPT) and The Pensions Trust 2016 (TPT 2016). TPT is an occupational pension scheme providing Defined Contribution (DC) pension benefits. This Statement of Investment Principles (SIP) governs decisions about investments in respect of the defined contribution elements of TPT, including the "default arrangement" (DC SIP). The default arrangement is, broadly, the fund into which members' accounts are invested if they do not exercise a choice of investments.

1.2. In considering the appropriate investments and preparing this DC SIP, the Corporate Trustee, Verity Trustees Limited (the Trustee), has obtained and considered the written advice of their Investment Consultant, whom the Trustee believes to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of the Pensions Act 1995 (as amended) and the Occupational Pension Schemes (Investment) Regulations 2005. The Trustee has consulted the participating employers about this DC SIP.

1.3. For the purposes of this DC SIP, references to 'default arrangement' include the TPT Cash Fund (for as long as it is a default arrangement), unless otherwise stated.

2. Appointments and Delegation

2.1. The Trustee has delegated investment decisions and compliance stewardship to a formal Investment Committee (IC) and a Chief Investment Officer (CIO) that report back to the Trustee.

2.2. The IC has delegated day-to-day investment management to authorised managers and has taken steps to satisfy itself that the managers have the appropriate knowledge and experience for managing the Trustee's investments. The managers are not appointed for a fixed period of time but these appointments are regularly reviewed as part of the monitoring and review processes already in place. The continued appointment of an investment manager who fails to comply with the Trustee's policies and fails to give a satisfactory explanation will be reviewed. The details of individual managers are published each year in the investment report within the Trustee's Annual Report.

3. Investment Beliefs

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

4. Investment Strategies

4.1. The Trustee recognises that individual members have differing investment needs, that these may change during the course of members' working lives and that members have differing attitudes to risk. The Trustee has established a suite of funds based on the "target date fund" concept, i.e. funds that do not require members to make their own investment decisions and are designed to be suitable for members' own individual expected retirement.

4.2. The Trustee invests TPT's DC assets via a unit-linked insurance policy with Phoenix Life (the "provider"), who provides the DC investment platform and manages the default arrangement and self-select funds. By investing in this way, the Trustee has no direct ownership of the underlying funds, which has implications for stewardship and aspects of other policies referred to in this SIP. The Trustee has appointed a third-party manager, AllianceBernstein (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.

4.3. 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.

4.4. 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.

4.5. 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.

4.6. The aims and objectives of the default arrangement and default investment strategy are to provide an investment return in excess of inflation (measured by Consumer Price Index (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).

4.7. The range of default funds consists of unitised products which are dealt on a daily basis and so are readily realisable. The relevant number of units are purchased with the underlying funds on a bulk basis and allocated to each individual member. Reconciliations of investments take place through the daily investment cycle, with money sent for investment reconciled against unit information returned to the scheme's administrator at a member level.

4.9 The default arrangement does not yet invest in The default arrangement does not yet invest in illiquid assets and the Trustee currently has a policy of not investing in illiquid assets. The Trustee does not consider that the members' best interests are currently met by the use of this asset class. However, the Trustee plans to keep its policy on illiquid investments under regular review.

4.10 The aims and objectives of the TPT Cash Fund as a default arrangement for relevant members are different from the aims and objectives of the overall default arrangement and default investment strategy. The Trustee takes the view that diverting members' contributions to the TPT Cash Fund during a suspension of trading in a self-select Fund is in the best interests of the relevant members because the TPT Cash Fund is a low risk, liquid option with diversified exposure to a range of high quality financial institutions and a total expense ratio well below the statutory charge cap.

5. Investment Return

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

6. Management and Risk

6.1. The default funds and the self-select options invest in a range of (mainly) index tracking funds which are provided by leading investment houses. Regular meetings are held with the provider and the investment manager to assess protection for members and contingency plans. All funds are accessible on a daily basis.

6.2. The following risks, which are not exhaustive, are assessed and monitored regularly.

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	RI Framework sets out ESG risk management strategy as an integral part of the investment decision making

	governance (ESG) related factors including climate change	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 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 Responsible Investment (RI) Framework. The RI Framework covers the key activities undertaken by the Trustee in managing the assets of the scheme and ultimately allows it to communicate its approach to both key suppliers and members.

8.2.5. RI forms an integral part of the governance and risk management framework used to protect the long-term value of the assets we manage on behalf of our members and beneficiaries.

8.2.6. The Trustee Board delegates responsibility for implementation of the RI Framework to the IC. In order to ensure the ongoing suitability of the Trustee's approach to Responsible Investment the RI Framework is reviewed annually by both the IC and the Trustee Board.

Fund Manager Selection and Monitoring

8.2.7. The Trustee’s RI Framework applies to all of its investments although it tailors its expectations according to the different asset classes and the investment styles of its managers (e.g. active or passive strategies).

8.2.8. The third-party manager selects a number of underlying investment managers who share key attributes, including: a long-term mind-set; appropriate remuneration structures; robust risk management; and integration of ESG factors into their decision-making process. The Trustees’s 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, RI Integration and RI Reporting and Transparency. Each investment manager is then assigned a Responsible Investment rating.

8.2.12. The Trustee reports Responsible Investment manager ratings on a quarterly basis to the IC as an integrated part of its manager monitoring dashboard.

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. The Trustee's approach to climate change is set by its Climate Change Policy and commitments towards net zero.

8.2.17. The Trustee is taking action to tackle the risks of climate change through a commitment to net zero by 2050. Climate considerations are an integral part of the Trustee's Responsible Investment (RI) Principles and set our RI and stewardship approach in portfolio construction and monitoring, advocacy and reporting. Investments in thermal coil, oil sands and artic drilling are not aligned with an ambition for net zero emissions.

8.2.18. The Trustee is a member of the Institutional Investors Group for Climate Change and part of the Global Steering Group of the Pris Aligned Investment Initiative. Due to the interdependence of climate change with nature and society, it is signatory of Climate Action 100+, the Investor Statement and Just Transition (World Benchmarking Alliance) and the Investors Policy Dialogue on Deforestation (IPDD) initiative. This means that the Trustee is a part of the public discourse on climate change and opportunities and can influence change collaboratively.

8.2.19. 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

8.2.20. 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.

8.2.21. 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.

8.2.22. 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.

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

8.2.24. 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.

8.2.25. 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.

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

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

Governance Factors

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

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

a) A decision is made to engage with the company with a view to having the company desist from that activity. Such engagement should be held at an appropriate level and be subject to ongoing review as to its progress. If after a reasonable time engagement has been unsuccessful then divestment might be the response.

b) In exceptional circumstances where conduct is overtly unacceptable and/or there seems no reasonable prospect of engagement success, an immediate decision is made by the Trustee to divest from the company.

8.3. Voting

8.3.1. The Trustee aims to vote its shares in all markets where practicable. In the normal course of events it delegates this activity to its investment managers. That said, the Trustee retains the right (where possible) to direct its investment managers to vote in a particular way which it believes is in the best interest of its members. The Trustee expects its managers to use their best endeavours to facilitate the implementation of client voting decisions. This right is most noteworthy in situations where the voting decision taken on a resolution would enable the Trustee to better implement the commitments set out in its RI Framework. The Trustee Board delegates judgement on these matters to the IMT. Where the Trustee exercises its right in this way, it will inform the IC of its decision, together with the reasons for it.

8.3.2. The Trustee expects its investment managers to exercise their voting rights, on behalf of the Trustee, in line with this DC SIP and/or consistent with the Corporate Governance Policy and Voting Guidelines issued by the Pension and Lifetime Savings Association (PLSA). Although the PLSA guidelines focus solely on voting at UK companies, they reference support for the G20/OECD Corporate Governance Principles and the ICGN Global Governance Principles. The Trustee expects its investment managers to use these guidelines when voting in markets outside the UK. In some cases where the Trustee deems the investment manager to have voting policies that better reflect the Trustee's approach to Responsible Investment than those set out by the PLSA, the IMT may choose to instruct the investment manager to vote in line with the investment manager's own policies.

8.3.3. Where an investment manager intends to vote at variance with this policy, the manager is asked to inform the Trustee as far in advance as possible to afford the best possible chance for the IMT to review the appropriateness of that manager's voting intentions on behalf of the Trustee.

8.3.4. The Trustee has an active securities lending programme which can sometimes prevent it from voting all of its shares. Where there is a contentious vote or a vote relating to the Trustee's engagement activities, the Trustee may choose to recall or restrict the amount of stock lent. This decision will be considered on a case by case basis with counsel from the relevant investment manager(s).

8.4. Engagement

8.4.1. The Trustee's approach to engagement applies to equity and corporate bond holdings and consists of four elements:

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, 30% Club, Investors Policy Dialogue on Deforestation (IPDD) 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) and the Montreal Pledge.

8.4.4. The Trustee does not insist that current and potential future investment managers are themselves PRI signatories, but it will discuss with its investment managers how they are implementing the spirit of these principles whether or not they are signatories. The Trustee does not insist the investment managers publicly support the UK Stewardship Code but it will seek detail from its investment managers on how they demonstrate their support for the code (for asset classes where it is appropriate).

8.4.5. The Trustee also aims to engage on relevant policy issues alongside other like-minded, responsible investors. To support the Trustee's work in this regard it is a member of the IIGCC and the UK Sustainable Investment and Finance Association (UKSIF).

Communicating and reporting

8.4.6. The Trustee shares information on its RI activities via regular member and employer reporting channels.

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

8.5. Non-financial matters

8.5.1. Non-financial matters are taken into account in the selection, retention and realisation of investments. Non-financial matters for the purposes of the Occupational Pension Schemes (Investment) Regulations 2005 means the views of the members and beneficiaries including (but not limited to) their ethical views, their views in relation to social and environmental impact, and the present and future quality of life of the members and beneficiaries of TPT and TPT2016.

8.5.2. The Trustee recognises that by delegating selection, retention and realisation of its DC investments to its investment managers, there are limitations to the extent to which it can take into account non-financial matters in its DC investments. However, the Trustee has adopted a practical and holistic approach to non-financial matters in relation to DC investment as set out in its Ethical Investment Framework. Further, the IC requires its relevant investment managers to report regularly on the application of the Ethical Investment Framework in the selection, retention and realisation of ethical investments across all asset classes and how they seek to exclude companies with business interests and activities that conflict with members' moral and ethical preferences (e.g. tobacco).

8.5.3. The Trustee will review its policy on non-financial matters on an annual basis.

9. Compliance

9.1. The IC requires all investment managers to confirm, through their reporting, that the investments are diversified and suitable, and that they have complied with the principles set out in this DC SIP. The Trustee will review this DC SIP annually and without delay after any significant change in investment policy and in addition, the default strategy and funds after any significant change in the demographic profile of members invested in these funds.

9.2. Consultation with participating employers will be undertaken if these investment principles change.

9.3. A common investment policy is offered to all employers, with the target date funds being offered as the default and members able to choose from a range of self-select options. Fact sheets on all the funds are available to members on TPT’s website.

Appendix 2 – Member-borne Costs & Charges

Administration charges

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

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

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

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

Transaction Costs

Target date funds (default investment)

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

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

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

Default arrangement charges and transaction costs:

TDF Vintage	***Admin Costs***	***Transaction Costs***	***Total Costs***
AB Retirement Fund 2011-2013	*0.5122%*	*0.1035%*	*0.6157%*
AB Retirement Fund 2014-2016	*0.5134%*	*0.1061%*	*0.6195%*
AB Retirement Fund 2017-2019	*0.5148%*	*0.1091%*	*0.6239%*
AB Retirement Fund 2020-2022	*0.5158%*	*0.1105%*	*0.6263%*
AB Retirement Fund 2023-2025	*0.5169%*	*0.1132%*	*0.6301%*
AB Retirement Fund 2026-2028	*0.5186%*	*0.1167%*	*0.6353%*
AB Retirement Fund 2029-2031	*0.5213%*	*0.1222%*	*0.6435%*
AB Retirement Fund 2032-2034	*0.5242%*	*0.1222%*	*0.6464%*
AB Retirement Fund 2035-2037	*0.5255%*	*0.1054%*	*0.6309%*

AB Retirement Fund 2038-2040	*0.5261%*	*0.0832%*	*0.6093%*
AB Retirement Fund 2041-2043	*0.5261%*	*0.0791%*	*0.6052%*
AB Retirement Fund 2044-2046	*0.5262%*	*0.0786%*	*0.6048%*
AB Retirement Fund 2047-2049	*0.5262%*	*0.0786%*	*0.6048%*
AB Retirement Fund 2050-2052	*0.5262%*	*0.0786%*	*0.6048%*
AB Retirement Fund 2053-2055	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2056-2058	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2059-2061	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2062-2064	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2065-2067	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2068-2070	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2071-2073	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2074-2076	0.5262%	0.0786%	0.6048%
AB Retirement Fund 2077-2079	0.5262%	0.0786%	0.6048%

Ethical TDF Vintage	***Admin Costs***	***Transaction Costs***	***Total Costs***
AB Ethical Retirement Fund Pre 1999 (2011-2013)	*0.5348%*	*0.0537%*	*0.5885%*
AB Ethical Retirement Fund Post 1999 (2011-2013)	*0.6648%*	*0.0537%*	*0.7185%*
AB Ethical Retirement Fund Pre 1999 (2014-2016)	*0.5377%*	*0.0531%*	*0.5908%*
AB Ethical Retirement Fund Post 1999 (2014-2016)	*0.6677%*	*0.0531%*	*0.7208%*
AB Ethical Retirement Fund Pre 1999 (2017-2019)	*0.5427%*	*0.0520%*	*0.5947%*

AB Ethical Retirement Fund Post 1999 (2017-2019)	*0.6727%*	*0.0520%*	*0.7247%*
AB Ethical Retirement Fund Pre 1999 (2020-2022)	*0.5453%*	*0.0517%*	*0.5970%*
AB Ethical Retirement Fund Post 1999 (2020-2022)	*0.6753%*	*0.0517%*	*0.7270%*
AB Ethical Retirement Fund Pre 1999 (2023-2025)	*0.5272%*	*0.0520%*	*0.5792%*
AB Ethical Retirement Fund Post 1999 (2023-2025)	*0.6772%*	*0.0520%*	*0.7292%*
AB Ethical Retirement Fund Pre 1999 (2026-2028)	*0.5288%*	*0.0539%*	*0.5827%*
AB Ethical Retirement Fund Post 1999 (2026-2028)	*0.6788%*	*0.0539%*	*0.7327%*
AB Ethical Retirement Fund Pre 1999 (2029-2031)	*0.5302%*	*0.0563%*	*0.5865%*
AB Ethical Retirement Fund Post 1999 (2029-2031)	*0.6802%*	*0.0563%*	*0.7365%*
AB Ethical Retirement Fund Pre 1999 (2032-2034)	*0.5325%*	*0.0567%*	*0.5892%*
AB Ethical Retirement Fund Post 1999 (2032-2034)	*0.6825%*	*0.0567%*	*0.7392%*
AB Ethical Retirement Fund Pre 1999 (2035-2037)	*0.5349%*	*0.0564%*	*0.5913%*
AB Ethical Retirement Fund Post 1999 (2035-2037)	*0.6849%*	*0.0564%*	*0.7413%*
AB Ethical Retirement Fund Pre 1999 (2038-2040)	*0.5274%*	*0.0542%*	*0.5816%*
AB Ethical Retirement Fund Post 1999 (2038-2040)	*0.6874%*	*0.0542%*	*0.7416%*
AB Ethical Retirement Fund Pre 1999 (2041-2043)	*0.5286%*	*0.0522%*	*0.5808%*

AB Ethical Retirement Fund Post 1999 (2041-2043)	*0.6886%*	*0.0522%*	*0.7408%*
AB Ethical Retirement Fund Post 1999 (2044-2046)	*0.6888%*	*0.0524%*	*0.7412%*
AB Ethical Retirement Fund Post 1999 (2047-2049)	*0.6889%*	*0.0525%*	*0.7414%*
AB Ethical Retirement Fund Post 1999 (2050-2052)	*0.6889%*	*0.0525%*	*0.7414%*
AB Ethical Retirement Fund Post 1999 (2053-2055)	*0.6889%*	*0.0525%*	*0.7414%*
AB Ethical Retirement Fund Post 1999 (2056-2058)	*0.6889%*	*0.0525%*	*0.7414%*
AB Ethical Retirement Fund Post 1999 (2059-2061)	*0.6889%*	*0.0525%*	*0.7414%*
AB Ethical Retirement Fund Post 1999 (2062-2064)	*0.6889%*	*0.0525%*	*0.7414%*
AB Ethical Retirement Fund Post 1999 (2065-2067)	*0.6889%*	*0.0525%*	*0.7414%*
AB Ethical Retirement Fund Post 1999 (2068-2070)	*0.6889%*	*0.0525%*	*0.7414%*
AB Ethical Retirement Fund Pre 1999 (2071-2073)	*0.5289%*	*0.0525%*	*0.5814%*
AB Ethical Retirement Fund Post 1999 (2071-2073)	*0.6889%*	*0.0525%*	*0.7414%*
AB Ethical Retirement Fund Post 1999 (2074-2076)	*0.6889%*	*0.0525%*	*0.7414%*
AB Ethical Retirement Fund Post 1999 (2077-2079)	*0.6889%*	*0.0525%*	*0.7414%*

Self-select investment arrangements

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

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

Appendix 3 – Cumulative Illustrations

Default arrangement illustrations

Notes

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

Ethical TDF

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,434	6,398
3	12,633	12,464
5	19,336	18,937
10	38,521	37,039
15	61,658	58,190
20	89,436	82,810
25	122,662	111,374
30	162,273	144,419
35	209,368	182,551
40	265,224	226,453
49	392,764	322,546

TDF

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,444	6,416
3	12,680	12,550
5	19,448	19,140
10	38,942	37,787
15	62,659	59,930
20	91,379	86,116
25	126,023	116,970
30	167,674	153,216
35	217,608	195,679
40	277,329	245,311
49	415,331	356,295

Self-select arrangement illustrations

Notes

1. Project pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. The starting pot size is assumed to be £3,264 at age 16 for a member retiring at age 65.
3. Inflation is assumed to be at 2.5% each year.
4. Contributions are assumed to be paid at the end of each month from age 16 to 65 and increase in line with assumed earnings growth of inflation plus 1% each year on the anniversary of the first contribution. Initial contribution level is assumed to be £234 per month.
5. Values shown are estimates and are not guaranteed.
6. Charges are based on prudent historical average charges (as a percentage of the fund invested) including all member borne charges and underlying transaction costs. This is likely to overestimate the impact of these costs and charges as it is likely they will fall through time as the size of the plan grows and provision of administration and investment services to the plan becomes more efficient. Furthermore, we note that transaction costs incurred when buying and selling the TDF strategies has been included in this analysis, which is noted as optional for trustees and investment managers within the guidance provided by the DWP.
7. The projected future growth rates for the self-select options are as set out below:
    - 7.1. Global Equity Fund: 2.44% above inflation
    - 7.2. Global Corporate Bond Fund: 0.49% above inflation
    - 7.3. Cash Fund: -1.46% above inflation
    - 7.4. DGF: 0.49% above inflation
    - 7.5. Index-linked gilts fund: 4.39% above inflation
    - 7.6. Property fund: 2.44% above inflation
    - 7.7. Ethical Global Equity Fund: 2.44%
    - 7.8. Annuity Aware Fund: 2.44% above inflation
    - 7.9. Emerging Markets Equity Fund: 2.44% above inflation
    - 7.10. Global Impact Bond Fund: 0.49% above inflation
    - 7.11. Global Impact Equity Fund: 4.39% above inflation
    - 7.12. Islamic Global Equity: 2.44% above inflation

7.13. Low Carbon Transition Equity Fund: 2.44% above inflation

7.14. Money Market Fund: -1.46% above inflation

7.15. UK Equity Index Fund: 2.44% above inflation

8. The provision of these outcomes on behalf of members assumes the provision of administration and investment services, as such the numbers shown for the accumulated fund allowing for investment returns but before the deduction of costs and charges is purely hypothetical and does not represent an achievable member outcome.

9. In addition, the trustee is required to provide value for money to members and as such it would be appropriate to assume that lower costs and charges would necessarily equate to better member outcomes i.e. that the assumed level of overall service to members, including the investment returns achieved, could be maintained at a lower cost.

Global Equity Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,378
3	12,477	12,368
5	18,966	18,710
10	37,146	36,214
15	58,438	56,296
20	83,279	79,260
25	112,164	105,442
30	145,654	135,218
35	184,384	169,001
40	229,072	207,251
49	327,186	289,020

Global Corporate Bond Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,302	6,277
3	12,018	11,903
5	17,901	17,638
10	33,364	32,466
15	49,954	48,024
20	67,737	64,346
25	86,781	81,472
30	107,159	99,441
35	128,946	118,295
40	152,222	138,079
49	198,143	176,180

Cash Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,204	6,181
3	11,573	11,474
5	16,895	16,675
10	30,017	29,315
15	42,919	41,501
20	55,652	53,309
25	68,265	64,811
30	80,806	76,073
35	93,321	87,159
40	105,855	98,127
49	128,603	117,747

DGF

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,302	6,276
3	12,018	11,899
5	17,901	17,628
10	33,364	32,431
15	49,954	47,949
20	67,737	64,216
25	86,781	81,269
30	107,159	99,149
35	128,946	117,896
40	152,222	137,553
49	198,143	175,375

Index-linked gilts fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,499	6,476
3	12,949	12,834
5	20,092	19,816
10	41,423	40,349
15	68,687	66,050
20	103,347	98,055
25	147,220	137,744
30	202,556	186,792
35	272,152	247,230
40	359,474	321,523
49	575,701	500,117

Property fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,350
3	12,477	12,237
5	18,966	18,405
10	37,146	35,121
15	58,438	53,826
20	83,279	74,703
25	112,164	97,952
30	145,654	123,789
35	184,384	152,447
40	229,072	184,178
49	327,186	249,927

Ethical Global Equity Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,378
3	12,477	12,368
5	18,966	18,710
10	37,146	36,214
15	58,438	56,296
20	83,279	79,260
25	112,164	105,442
30	145,654	135,218
35	184,384	169,001
40	229,072	207,251
49	327,186	289,020

Annuity Aware Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,378
3	12,477	12,368
5	18,966	18,710
10	37,146	36,214
15	58,438	56,296
20	83,279	79,260
25	112,164	105,442
30	145,654	135,218
35	184,384	169,001
40	229,072	207,251
49	327,186	289,020

Emerging Markets Equity Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,373
3	12,477	12,344
5	18,966	18,654
10	37,146	36,012
15	58,438	55,835
20	83,279	78,403
25	112,164	104,023
30	145,654	133,036
35	184,384	165,817
40	229,072	202,780
49	327,186	281,339

Global Impact Bond Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,302	6,272
3	12,018	11,880
5	17,901	17,586
10	33,364	32,291
15	49,954	47,651
20	67,737	63,697
25	86,781	80,466
30	107,159	97,993
35	128,946	116,316
40	152,222	135,475
49	198,143	172,206

Global Impact Equity Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,499	6,461
3	12,949	12,764
5	20,092	19,648
10	41,423	39,701
15	68,687	64,479
20	103,347	94,944
25	147,220	132,249
30	202,556	177,774
35	272,152	233,173
40	359,474	300,422
49	575,701	459,180

Islamic Global Equity

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,378
3	12,477	12,368
5	18,966	18,710
10	37,146	36,214
15	58,438	56,296
20	83,279	79,260
25	112,164	105,442
30	145,654	135,218
35	184,384	169,001
40	229,072	207,251
49	327,186	289,020

Low Carbon Transition Equity Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,382
3	12,477	12,390
5	18,966	18,761
10	37,146	36,398
15	58,438	56,716
20	83,279	80,042
25	112,164	106,742
30	145,654	137,223
35	184,384	171,937
40	229,072	211,389
49	327,186	296,170

Money Market Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,204	6,169
3	11,573	11,420
5	16,895	16,555
10	30,017	28,936
15	42,919	40,743
20	55,652	52,070
25	68,265	63,003
30	80,806	73,622
35	93,321	83,998
40	105,855	94,200
49	128,603	112,318

UK Equity Index Fund

Projected Pension Pot in Today's Money (as at 30 September 2023)		
Years	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	6,401	6,385
3	12,477	12,404
5	18,966	18,795
10	37,146	36,521
15	58,438	56,998
20	83,279	80,569
25	112,164	107,621
30	145,654	138,582
35	184,384	173,932
40	229,072	214,208
49	327,186	301,065

Appendix 4 – Investment Returns

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

Default investment arrangements

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

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

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

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

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

Self-select investment arrangements

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

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

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

Appendix 5 - The Pensions Trust (TPT) - SIP Implementation Statement

Introduction

This Statement of Investment Principles ("SIP") Implementation Statement ("the Statement") has been prepared by Verity Trustees Limited as the Trustee of The Pensions Trust ("the Trustee") and relates to The Pensions Trust ("TPT").

This Statement is produced by the Trustee as required by the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended). The regulations state that the implementation statement must (amongst other matters):

- set out how, and the extent to which, in the opinion of the Trustee, the SIP has been followed during the year;
- describe any review of, and explain any changes made to, the SIP during the year; and
- describe the voting behaviour by, or on behalf of, the Trustee (including the most significant votes cast by the Trustee or on their behalf) during the year and state any use of the services of a proxy voter during that year.

Not all of the requirements above apply in the case of the Scheme but the Trustee has decided to report on each of these areas as a matter of best practice. There are more onerous disclosure requirements which are applicable for DC schemes.

Based on regulatory requirements, the Statement covers the period from 1 October 2022 to the end of TPT's financial year on 30 September 2023. There were separate SIPs for both the DB and DC elements of TPT. This statement is therefore split accordingly to reflect the differing content and relevance to different members.

The Statement is divided into three sections:

1. An overview of the Trustee's actions and highlights during the period covered;

2. The policies set out in TPT's SIPs for both the DB and DC sections and the extent to which they have been followed in the reporting period; and

3. The voting behaviour and significant votes undertaken by the fund managers on behalf of TPT.

SIP Updates

The Trustee reviews the SIPs annually. For the period under review, the Trustee reviewed the SIPs for the DB and DC elements on 13 October 2022 (the SIPs were subsequently reviewed and approved on 10 October 2023). The review takes into account new guidance and regulations as well as best practices inherent in the Trustee's investments and wider stakeholder remit. There were no significant changes to the SIPs for the period under review.

Overview of Trustee’s Actions - DB

Investment objectives and strategy

TPT’s agreed strategic asset allocation reflects the Trustee's view of the most appropriate investments, balancing risk/reward characteristics of the funds TPT is invested in, to support participating schemes’ full-funding objectives.

During the reporting period there was no change to TPT’s overall investment objectives. However, due to the Master Trust nature of TPT, the investment strategy of each participating scheme reflects the integrated approach towards assessing risk (for its defined benefit schemes), considering areas such as investment risk and covenant support.

In order to implement the investment strategy each participating scheme holds a tailored combination of the Growth Asset Portfolio (“GAP”), Matching-Plus Portfolio (“MPP”) and Liability Driven Investments (“LDI”). The GAP and MPP are made up of a number of underlying sub-portfolios that allocate to the major asset classes, such as equities and credit, as well as a range of diversifiers such as insurance-linked securities.

During the reporting period the following strategy changes were made:

- The Trustee removed the Nephila Insurance-linked securities mandate, reallocating to market neutral mandates;
- The Trustee invested into and withdrew funds from the Wellington Global High Yield Bonds mandate in line with pre-agreed spread triggers;
- The wind-down of the CBRE Value Add portfolio was initiated;
- The Trustee transferred the one scheme out of the LGIM LDI mandate and closed that mandate

Trustee’s policies for investment managers

The Trustee relies on investment managers for the day-to-day management of TPT’s assets but retains control over TPT’s investment strategy.

The Trustee makes use of pooled investment vehicles as well as segregated mandates with its asset managers.

TPT’s assets that are invested in a segregated manner have the Trustee’s specified terms within the investment management agreements, for example TPT’s Voting and Engagement Policy and specific restricted investments (e.g. controversial weapons). TPT’s assets that are invested in pooled investment vehicles have standardised fund terms. Further to this, TPT has negotiated side letters which set out further restrictions including excluded investments. The Trustee has not received notifications from its relevant investment managers of any material changes to the pooled fund terms over the scheme year.

Overview of Trustee's Actions - DC

Investment arrangements

The Trustee reviews the performance of each fund on a quarterly basis against the stated performance objective for that fund. The Trustee concluded that AllianceBernstein ("AB"), to whom the Trustee has delegated the investment management of the default strategy, remained well suited for the purpose. It will continue to monitor AB on a regular basis considering both the performance of the target date funds and other prevailing circumstances.

The Trustee engaged in a Default Strategy Review in May 2023; it was concluded that the DC performance against CPI+ objectives remained challenging. The Trustee remained confident that AB would be able to outperform the real returns objectives over the longer term. The fees for all the funds were within the range we would expect for a scheme the size of TPT.

As part of its governance process and to meet Objectives 4 and 5 of the Master Trust supplement to AAF02/07, TPT has committed to reviewing annually the investment strategies for both the default and self-select funds. This review was conducted on the 4 May 2023.

At its 4 May 2023 meeting, the Trustee approved the addition of seven new Self-Select Funds: three of which offer exposure to new asset classes not previously available in the self-select range (Emerging Markets Equity, Global Corporate Bond, UK Equity Index Fund) and four new sustainable funds, selected for their focus and integration of Responsible Investment criteria within the investment process (Global Impact Bond, Global Impact Equity, Low Carbon Transition Global Equity and Global Infrastructure funds).

Final Remarks

As demonstrated in the following sections of this Statement, the actions the Trustee has undertaken during the relevant reporting period reflect the policies within TPT's SIP.

The responsibility for managing TPT's holdings is delegated to its fund managers. TPT believes that investment managers are well placed to engage with invested companies on environmental, social and governance ("ESG") matters, given their knowledge of the company and the level of access they have to company management. This is also a pragmatic approach because of the number of stocks owned by TPT, and the amount of time corporate entities have available for single investors. However, TPT sets out its expectations to its asset managers in terms of Corporate Governance via its Voting and Engagement Policy document and adherence to the PLSA Stewardship & Voting Guidelines, as well as its SIP.

The Trustee believes that it should act as a responsible steward of the assets in which TPT invests as this can improve the longer-term returns of its investments. The Trustee notes that sustainable financial outcomes are better leveraged when supported by good governing practices, such as board accountability.

Review of DB SIP Policies

Policy	Has the policy been followed?	Evidence
Appointments and Delegation		
The Trustee's Investment Committee ("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 to manage the Trustee's investments. These appointments are reviewed regularly. The details of individual managers are published each year in the investment report within the Trustee's Annual Report.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee continues to monitor the manager ratings in an annual agenda-led meeting. Following this, a manager factsheet, meeting notes, updated research notes and a manager profile (covering performance) are produced.
Investment Beliefs		
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 made available on TPT's website. The Trustee regularly reviews the asset allocation of its DB investments in line with its Responsible Investment Framework ("RI Framework"), available on TPT's website, to ensure the security, liquidity, quality and profitability of the DB portfolio as a whole and to ensure DB investments are appropriately diversified.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee Board approved a set of RI Principles during Q1 (Jan-Mar) 2022, which supplements the Investment Beliefs. The Investment Beliefs were reviewed on 13 October 2022.

Policy	Has the policy been followed?	Evidence
Investment Strategies		
The Growth Asset and Matching-Plus Portfolios both aim to be well diversified between asset classes and return drivers. The strategy for each scheme is reviewed at least every three years to ensure it remains appropriate. The Trustee reviews the risk and return objectives for the Growth Asset and Matching-Plus Portfolios on a periodic basis to ensure they are consistent with scheme objectives.	Yes, the Trustee is satisfied that this policy has been followed.	The strategy for each participating scheme is subject to at least one strategy review after the triennial valuations.

Policy	Has the policy been followed?	Evidence
Management and Risk (1/2)		
Investments are held by custodians (or property deeds are held directly). Only designated persons can authorise the transfer of assets between managers. Each investment manager executes its own stock selection policy within asset allocation control targets agreed with the IC. The discretionary managers determine the investments held, subject to objectives agreed and reviewed from time to time. Some assets are readily marketable and investments may be realised from time to time as required to provide funds in order to make payment of benefits. Formal meetings are held regularly with the investment managers and custodians. By using a number of investment managers, the risk attached to adverse performance by any one manager is reduced. Derivative contracts can only be used with the prior agreement of the IC.	Yes, the Trustee is satisfied that this policy has been followed.	Formal meetings are held with the investment managers according to a predetermined schedule. The meeting dates with the Custodian within the reporting period were as follows: • 20th December 2022 • 3rd April 2023 • 13th July 2023 • 3rd October 2023
Management and Risk (2/2)		
The risks, as stated in the SIP are assessed and monitored regularly.	Yes, the Trustee is satisfied that this policy has been followed.	The SIP lists a number of risk factors that the Trustee believes may result in a failure to meet the agreed objectives. The Trustee monitors and manages these risk factors through measures specific to each risk on a quarterly basis.

Policy	Has the policy been followed?	Evidence
Responsible Investment (including ESG Factors) and Non-financial Matters (1/2)		
The Trustee is committed to being a responsible investor in line with its legal duties under the Investment Regulations. RI is an approach which seeks to integrate ESG considerations into investment management and ownership practices.	Yes, the Trustee is satisfied that this policy has been followed.	The RI Framework outlines the policies that relate to the Trustee's duties under the Investment Regulation, including its approach to voting, engagement and climate risk. The Trustee publishes the following in the RI section of TPT's website, further highlighting its commitment: • the latest Task Force on Climate-related Financial Disclosures ("TCFD") report • a list of membership/signatories to relevant bodies.
Responsible Investment (including ESG Factors) and Non-financial Matters (2/2)		
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.	Yes, the Trustee is satisfied that this policy has been followed.	For the period under review, the RI Framework was reviewed on 13 October 2022 and again on 8 December 2022. No material changes were made.

Policy	Has the policy been followed?	Evidence
Fund Manager Selection and Monitoring (1/2)		
The Trustee incorporates its expectations on ESG and climate change into 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 ("IMAs") put in place which are tailored according to the particular mandate.	Yes, the Trustee is satisfied that this policy has been followed.	IMAs for several mandates incorporate specific requirements for ESG capabilities and reporting. The requirements include: • consideration of climate risk in decision making; • exclusion of controversial weapons; • commitment to provide ESG reporting; • commitment to incorporate relevant ESG factors into decision making and provide ESG reporting.

Policy	Has the policy been followed?	Evidence
Fund Manager Selection and Monitoring (2/2)		
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.	Yes, the Trustee is satisfied that this policy has been followed.	The managers' reports on their RI activities, including their approach to stewardship, climate change and ESG risks are reviewed annually.
The RI manager ratings are reported on a quarterly basis to the IC as an integrated part of its manager monitoring dashboard.	Yes, the Trustee is satisfied that this policy has been followed.	The IMT acts on behalf of the Trustee and reporting is done on a quarterly basis via a manager dashboard system.
The Trustee will review the carbon risk at both the overarching 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") TCFD and will use the guidance it sets out for asset owners as the framework for reporting on climate change.	Yes, the Trustee is satisfied that this policy has been followed.	Over the reporting period, the Trustee conducted climate scenario analysis to stress-test the Trustee's DB and DC portfolios against climate-change risks. The Trustee tested the portfolios against three scenarios: Orderly Net Zero, Disorderly Net Zero and a Failed Transition. This scenario analysis was completed in compliance with the TCFD reporting guidance. The Trustee also conducted carbon foot printing of DB and DC portfolios in order to quantify climate risk.

Policy	Has the policy been followed?	Evidence
Environmental, Social and Governance Factors		
The Trustee incorporates climate change expectations and reporting requirements into new mandates where appropriate and makes sure this is part of ongoing manager monitoring and reporting. The Trustee will actively encourage its managers to consider reporting in line with the FSB TCFD recommendations.	Yes, the Trustee is satisfied that this policy has been followed.	Specific ESG and climate change expectations were considered when appointing new mandates, and reviewing existing mandates.
Social Factors		
The Trustee carries out regular reviews of its portfolio to ensure adherence to its approach to restricting investments in controversial weapons.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee ensures that adherence to the approach to restricting investments in controversial weapons is written into the relevant IMAs. The RI Framework includes the criteria for identifying companies in which investment should be avoided. For the period under review, the Framework was reviewed on 13 October 2022 and again on 8 December 2022.

Policy	Has the policy been followed?	Evidence
Governance Factors		
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 agents to assist in this review.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee is aware that the assessment of companies in its portfolio of assets for breaches of generally recognised responsibilities and norms under the UN treaties is an evolving area. The Trustee has actively engaged in training sessions on wider RI practices, which will inform TPT's implementation of this policy in the future.

Policy	Has the policy been followed?	Evidence
Engagement (1/2)		
There may be occasions when the engagement topics identified by the Trustee overlap with the engagement efforts of its investment managers. In these situations, the Trustee will seek to undertake joint engagement activities with investment managers.	Yes, the Trustee is satisfied that this policy has been followed.	Although primary responsibility for corporate engagement activities is delegated to its investment managers, it is part of the Trustee's policy to consider undertaking joint engagement activities with investment managers when relevant. The Trustee is also a member of several collaborative engagement initiatives – many of which managers are also signatories of which strengthens the collective voice.
Engagement (2/2)		
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 effort in this area the Trustee is committed to joining collaborative engagements through its association with organisations such as Principles of Responsible Investment ("PRI"), and the Pensions & Lifetime Savings Association ("PLSA"). This list is not considered to be exhaustive.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee remains a signatory of the PRI. The Trustee joined several industry initiatives including the 30% Club, the Investor Alliance on Human Rights, Climate Action 100+ and the Investor Policy Dialogue on Deforestation.

Policy	Has the policy been followed?	Evidence
Codes and Industry Initiatives		
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 Institutional Investors Group on Climate Change ("IIGCC") and the UK Sustainable Investment and Finance Association ("UKSIF").	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee remains a member of the IIGCC and UKSIF.

Policy	Has the policy been followed?	Evidence
Non-financial Matters		
The Trustee will review its policy on non-financial matters on an annual basis.	Yes, the Trustee is satisfied that this policy has been followed.	TPT has an Ethical Investment Framework that was adopted following consultation with key member organisations. The framework is aimed at applying a standard set of ethical criteria to TPT's Ethical Funds to address ethical preferences that have been highlighted to TPT as being important to some member organisations, and likely shared by a sub-set of members. For the period under review, the Framework was reviewed on 13 October 2022 and again on 8 December 2022. No material changes were made.

Policy	Has the policy been followed?	Evidence
Compliance		
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 the DB SIP. The Trustee will review the DB SIP annually and without delay after any significant change in investment policy.	Yes, the Trustee is satisfied that this policy has been followed.	The SIP was updated before 1 October 2019 to reflect the Trustee's view on stewardship and financially material risks such as ESG, including climate change. Subsequent revisions to the SIP were published on an annual basis to comply with further regulatory changes.

Review of DC SIP Policies

Policy	Has the policy been followed?	Evidence
Appointments and Delegation		
The Trustee's Investment Committee ("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 to manage the Trustee's investments. These appointments are reviewed regularly. The details of individual managers are published each year in the investment report within the Trustee's Annual Report.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee has delegated the investment management of the default strategy to AllianceBernstein ("AB"), which is reviewed on an annual basis.
Investment Beliefs		
The Trustee has agreed on a set of Investment Beliefs that the IC and Chief Investment Officer ("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's website. The Trustee regularly reviews the asset allocation of its DC investments in line with its Responsible Investment Framework ("RI Framework"), available on TPT's website, to ensure the security, liquidity, quality, and profitability of the DC portfolio as a whole and to ensure DC investments are appropriately diversified.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee Board approved a set of RI Principles during Q1 (Jan-Mar) 2021, which supplements the Investment Beliefs. For the period under review, the Investment Beliefs were reviewed on 13 October 2022.

Policy	Has the policy been followed?	Evidence
Investment Strategies		
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 classes and risk to reflect the full range of membership. A suite of ethical Target Date Funds ("TDFs") 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's website.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee continues to provide two TDF options: Standard TDFs and Ethical TDFs. Where the default options do not meet the needs of a wider cross-section of members, 15 alternative self-select funds have been offered (including seven additional self-select funds which were added in the period under review). For the period under review, the Ethical Investment Framework was last reviewed on 13 October 2022 and again on 8 December 2022.
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.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee applies proportionate governance in monitoring the self-select funds through an annual review process supplemented by quarterly performance updates. The annual review was conducted on 4 May 2023.
The ongoing 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.	Yes, the Trustee is satisfied that this policy has been followed.	As part of its governance process and to meet Control Objectives 4 and 5 of the Master Trust supplement to AAF02/07, TPT has committed to reviewing the investment strategies for both the default and self-select funds on an annual basis. This review was conducted on 4 May 2023.

Policy	Has the policy been followed?	Evidence
Management and Risk		
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.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee holds annual meetings with AB and Legal & General Investment Management ("LGIM") to assess the suitability of the TDF and self-select funds, respectively. The last meeting with AB was held on the 4 May 2023 and the last meeting with LGIM on the 20 April 2023. Seven additional self-select funds were approved in Q2 (Apr-Jun) and Q3 (Jul-Sep) 2023. A review of these funds and their continued suitability will be performed in 2024, with the results presented to the Investment Committee.
The risks, as stated in the SIP, are assessed and monitored regularly.	Yes, the Trustee is satisfied that this policy has been followed.	The SIP lists a number of risk factors that the Trustee believes may result in a failure to meet the agreed objectives. The Trustee monitors and manages these risk factors through measures specific to each risk on a quarterly basis.

Policy	Has the policy been followed?	Evidence
Responsible Investment (including ESG Factors) and Non-financial Matters		
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 which 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.	Yes, the Trustee is satisfied that this policy has been followed.	The RI Framework outlines the policies that relate to the Trustee's duties under the Investment Regulation e.g. voting and engagement, climate risk. The Trustee publishes the following in the RI section of TPT's website, further highlighting its commitment: • the latest Task Force on Climate-related Financial Disclosures ("TCFD") report • a list of memberships/signatories to relevant bodies.
The Trustee 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.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee Board approved a set of RI Principles during Q1 2021, which supplements the Investment Beliefs. For the period under review, the Responsible Investment Framework was reviewed on the 13 October 2022 and again on 8 December 2022.

Policy	Has the policy been followed?	Evidence
Fund Manager Selection and Monitoring		
The Trustee incorporates its expectations on ESG and climate change into 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 mandate.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee has shared its policies with AB and LGIM as they are the investment managers used in the DC section. Please note that AB may use additional third-party managers to implement some of the strategies within the TDF investment structure. In these instances, AB monitors these managers' policies against AB's own policies. However, AB has committed to formally reviewing TPT's policies and actively considers these policies with respect to how underlying managers are utilised. Additionally, AB aims to improve alignment with TPT's policies, where possible, over time.
The 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.	Yes, the Trustee is satisfied that this policy has been followed.	At the 4 May 2023 IC meeting, the IMT discussed and received reports back from AB on voting engagement, their ESG team structures and how ESG was applied across the company.
The RI manager ratings is reported on a quarterly basis to the IC as an integrated part of its manager monitoring dashboard.	Yes, the Trustee is satisfied that this policy has been followed.	The IMT acts on behalf of the Trustee and reporting is done on a quarterly basis via a manager dashboard system.

Policy	Has the policy been followed?	Evidence
Environmental, Social and Governance Factors (1/2)		
The Trustee will review the carbon risk at both the overarching portfolio and underlying fund level on a regular basis to understand where risks might arise. This review may include carbon footprinting, 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") TCFD and will use the guidance it sets out for asset owners as the framework for reporting on climate change.	Yes, the Trustee is satisfied that this policy has been followed.	Working with DC default investment manager, AB, the Trustee has established a climate change action plan for the over-arching portfolio via their UK target date funds. Aligned with TPT's climate action plan, this highlights a commitment to halving carbon intensity by 2030, with significant progress already made towards the decarbonisation trajectory for the 1.5-degree scenario, and a net zero position by 2050. In terms of carbon-related actions, thermal coal (as the most carbon-intensive fossil fuel used for power generation) has been removed from the portfolio, and tilts have been applied at the underlying fund level. These seek to reduce the transition risks that may exist from companies to be more sensitive to the pace of adoption of climate change policies by governments and product decisions by consumers. One such allocation uses an index methodology that is recognised as an official EU Climate Transition Benchmark (CTB), meeting high climate standards. The Trustee supports TCFD and its framework for climate-related disclosures. Full look-through to access holdings data for ESG analysis is available, and on a quarterly basis metrics data is reviewed for the over-arching portfolio's carbon footprint and greenhouse gas emissions, along with a range of additional optional metric

Policy	Has the policy been followed?	Evidence
Environmental, Social and Governance Factors (2/2)		
The Trustee incorporates climate change expectations and reporting requirements into new mandates where appropriate and makes sure this is part of ongoing manager monitoring and reporting. The Trustee will actively encourage its managers to consider reporting in line with the FSB TCFD recommendations.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee manages risk through its governance processes and oversight of the investment strategy. The IMT includes climate-related topics on the agenda at annual update meetings with its underlying fund managers to ensure that climate change risk is being incorporated into the investment process and relevant information is being captured in the documentation submitted to the IC. The Trustee currently reports under TCFD.
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 aims to share best practice on climate change risk analysis amongst asset managers and asset owners.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee remains a member of the IIGCC. It currently serves as a Steering Group member for the Paris Aligned Investing Initiative.

Policy	Has the policy been followed?	Evidence
Social Factors		
The Trustee carries out regular reviews of its portfolio to ensure adherence to its approach to restricting investments in controversial weapons.	Yes, the Trustee is satisfied that this policy has been followed.	Twice a year the portfolio is reviewed to ensure adherence to the controversial weapons exclusions. The last review of the portfolio was undertaken in Q1 (Jan-Mar) 2023 following the implementation of the TPT-specific controversial weapons policy in 2019. Following this review, the Trustee produced a list to restict investments in controversial weapons, adopted from the MSCI's recommendations. The RI Framework includes

Policy	Has the policy been followed?	Evidence
Governance Factors		
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 agents to assist in this review.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee is aware that the assessment of companies in its portfolio of assets for breaches of generally recognised responsibilities and norms under the United Nations Global Compact and UN treaties is an evolving area. The Trustee has actively engaged in training sessions on wider RI practices, which will inform TPT's implementation of this policy in the future.

Policy	Has the policy been followed?	Evidence
Engagement (1/2)		
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. 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.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee has delegated the responsibility for its corporate engagement activities to AB in a manner consistent with the SIP. However, it will continue to monitor AB on an annual basis, considering both the funds' performances against their respective benchmarks and other prevailing circumstances.

Policy	Has the policy been followed?	Evidence
Engagement (2/2)		
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 and the PLSA and the Institutional Investors Group on Climate Change ("IIGCC"). This list is not considered to be exhaustive.	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee remains a signatory of the PRI. The Trustee joined several industry initiatives including the 30% Club, the Investor Alliance on Human Rights, Climate Action 100+ and the Investor Policy Dialogue on Deforestation.
Codes and Industry Initiatives		
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").	Yes, the Trustee is satisfied that this policy has been followed.	The Trustee remains a member of the IIGCC and UKSIF.

Policy	Has the policy been followed?	Evidence
Non-financial Matters		
The Trustee will review its policy on non-financial matters on an annual basis.	Yes, the Trustee is satisfied that this policy has been followed.	TPT has an Ethical Investment Framework that was adopted following consultation with key member organisations. The framework is aimed at applying a standard set of ethical criteria to TPT's Ethical Funds to address moral or ethical preferences that have been highlighted to TPT as being important to some member organisations, and likely shared by a sub-set of members. For the period under review, the Framework was reviewed on 13 October 2022 and again on 8 December 2022.
Compliance		
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 the DC SIP. The Trustee will review the 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.	Yes, the Trustee is satisfied that this policy has been followed.	The SIP was updated before 1 October 2019 to reflect the Trustee's view on stewardship and financially material risks such as ESG, including climate change. The Trustee reviews the SIP annually. For the period under review, the Trustee reviewed the SIP on 13 October 2022. The review takes into account new regulations as well as best practices inherent in the Trustee's investments and wider stakeholder remit. This included new regulations for trustees being required to state their policies in relation to investment in illiquid assets. The Trustee Board approved a set of Responsible Investment Principles on 13 October 2022 and again on 8 December 2022. These principles supplement the Investment Beliefs.

Overview of the Trustee's Stewardship Policies

Voting

TPT 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, TPT 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. TPT 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 TPT to better implement the commitments set out within this Framework.

TPT expects its investment managers to exercise its voting rights, on behalf of TPT, in line with this document 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. TPT expects its investment managers to use these guidelines when voting in markets outside the UK. In some cases where TPT deems the Investment Manager to have voting policies that better reflect TPT'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 policy.

TPT 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 TPT's engagement activities, TPT 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).

The Trustee has not set up an expression of wish on voting but takes stewardship into account in selecting, monitoring and retaining its investment managers. Investment managers are required to submit data on a quarterly basis regarding their recent voting activities. This data is reviewed and meetings are held in order to discuss alignment with our stewardship priorities and preferred approach to determine significant votes.

Engagement

TPT's approach to engagement applies to equity and corporate bond holdings and consists of four elements:

Engagement by investment managers: TPT delegates primary responsibility for its corporate engagement activities to its investment managers. TPT 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 TPT, and the amount of time corporate entities have available for single investors. TPT expects its managers to engage on environmental, social and governance matters where they are considered material and relevant to the investment case. It also expects its managers to respond to specific requests the TPT might have.

Joint engagements with investment managers: There may be occasions when engagement topics identified by TPT overlap with engagement efforts of its investment managers. In these situations, TPT will seek to undertake joint engagement activities with investment managers. TPT believes that by having both an asset owner and an investment manager at the table to talk about an issue, significant weight is added to the discussion.

Collaborative engagements: TPT 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, TPT will participate

in collaborative engagements with other asset owners which it sees as furthering the aims and objectives of its investment beliefs and its Responsible Investment Framework. As part of its efforts in this area TPT is committed to joining collaborative engagements through

its association with organizations such as the PRI, the PLSA and the Institutional Investors Group on Climate Change (IIGCC). This list is not considered to be exhaustive.

Direct engagements

On occasions, an issue may arise where TPT believes it is necessary to directly engage with companies on particular ESG related issues.

Engagement priorities
TPT's corporate engagement priorities are based on an understanding of where material ESG risk lies in the portfolio. TPT asks its investment managers to report back on their engagement activities on a periodic basis.

Communication and reporting

TPT provides regular updates on how it implements this Framework to the Investment Committee. It also publishes information on its website as part of its annual update on Responsible Investment.

TPT also shares information on its Responsible Investment activities via regular member and employer reporting channels.

How have the policies been followed for TPT?

The Trustee recognises the value of voting and engagement as tools for influencing corporate behaviour in addition to protecting the financial value of investments. As part of its wider due diligence of the implementation of investment strategies, the Trustee requests information to demonstrate that each manager is exercising good stewardship and undertakes a dialogue with the relevant investment managers to ensure that the voting and engagement they undertake on behalf of TPT is consistent with its Responsible Investment Framework.

The following sections describe the voting activity undertaken by the investment managers on TPT's behalf, which was reflective of the Trustee's policy with high voting rates, voting behaviour consistent with corporate governance best practice and a strong climate focus, which is a key stewardship priority for the Trustee.

Voting Activity

Voting Statistics DB

Investment Manager	**Legal and General Investment Management**							**Man Group**	**Ownership Capital**
Fund	Ethical UK Equity Index	Ethical Global	UK Equity Index	North America Equity Index	Europe (ex UK) Equity Index	Asia Pacific (ex Japan) Developed Equity Index	Japan Equity Index	Man Risk Premia SPC	Long-Horizon Equity
How many meetings were you eligible to vote at?	240	1135	660	559	486	429	503	668	20
How many resolutions were you eligible to vote on?	4427	16486	10239	7628	8045	3091	6032	8417	324
What % of resolutions did you vote on for which you were eligible?	99.98%	99.90%	99.98%	99.76%	99.91%	100.00%	100.00%	96.59%	100.00 %
Of the resolutions on which you voted, what % did you vote with management?	94.37%	81.36%	94.30%	65.11%	81.18%	73.70%	88.06%	79.41%	86.00%
Of the resolutions on which you voted, what % did you vote against management?	5.63%	18.44%	5.70%	34.88%	18.40%	26.30%	11.94%	20.18%	11.00%
Of the resolutions on which you voted, what % did you vote to abstain?	0.00%	0.20%	0.00%	0.01%	0.42%	0.00%	0.00%	0.50%	3.00%
In what % of meetings, for which you did vote, did you vote at least once against management?	44.77%	75.42%	41.49%	98.03%	80.86%	75.29%	70.38%	73.50%	85.00%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	4.29%	13.93%	4.50%	28.70%	11.01%	16.40%	9.71%	11.77%	9.00%

Investment Manager	**RBC Global Asset Management**			**Ruffer LLP**		**Sands Capital Management**
Fund	Emerging Markets Equity SRI	Emerging Markets Equity ex-China	China Equity	Ruffer Absolute Return SRI	Ruffer Absolute Return	Global Growth
How many meetings were you eligible to vote at?	72	67	56	31	33	36
How many resolutions were you eligible to vote on?	679	627	483	433	438	406
What % of resolutions did you vote on for which you were eligible?	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Of the resolutions on which you voted, what % did you vote with management?	93.52%	93.78%	88.20%	92.84%	92.69%	96.30%
Of the resolutions on which you voted, what % did you vote against management?	6.48%	6.22%	11.80%	3.70%	3.88%	3.70%
Of the resolutions on which you voted, what % did you vote to abstain?	2.50%	6.54%	0.00%	3.46%	3.43%	0.00%
In what % of meetings, for which you did vote, did you vote at least once against management?	33.33%	35.82%	41.07%	45.16%	45.45%	22.20%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	2.21%	2.39%	0.00%	7.62%	7.53%	14.00%

Significant votes - DB

Asset Manager	**Legal and General Investment Management**	**Legal and General Investment Management**
Company name	Glencore Plc	Experian Plc
Date of vote	26-05-2023	19-07-2023
Approximate size of fund's/mandate's holding as at the date of the vote	2.41%	1.17%
Summary of the resolution	Resolution 19: Shareholder resolution “Resolution in Respect of the Next Climate Action Transition Plan”	Resolution 14: Re-elect Mike Rogers as Director
How you voted	For	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM co-filed this shareholder resolution and pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, there was regular communication with the company ahead of the meeting.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM.
Rationale for the voting decision	In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company’s planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore’s 2023 AGM, calling for disclosure on how the company’s thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the energy transition.	Diversity: A vote against is applied due to the lack of gender diversity at executive officer level. LGIM expects executives officers to include at least 1 female.
Outcome of the vote	Fail	Pass

Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world's largest companies on their strategic management of climate change.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Asset Manager	**Legal and General Investment Management**	**Man Group**
Company name	InterContinental Hotels Group Plc	Mitsubishi Corporation
Date of vote	05-05-2023	23-06-2023
Approximate size of fund's/mandate's holding as at the date of the vote	0.39%	N/D
Summary of the resolution	Resolution 5d - Re-elect Graham Allan as Director	Shareholder Proposal Regarding Aligning Business Strategy to the Paris Agreement
How you voted	Against	Against Management
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM.	No

Rationale for the voting decision	Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIMs deforestation policy.	Favour increased disclosure
Outcome of the vote	Pass	Fail
Implications of the outcome	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	Man's policy is particularly supportive of positive environmental and social-related shareholder proposals and the Stewardship Team reviews all shareholder proposals to ensure that our voting instructions are appropriate and aligned with the promotion of higher ESG principles and standards. We think that active voting, particularly through shareholder proposals, is essential to our stewardship responsibilities and a powerful way of making our investee companies think and act on important topics.
On which criteria have you assessed this vote to be "most significant"?	Thematic - Nature: LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targeting companies in high-risk sectors.	ESG Shareholder proposal

Asset Manager	**Man Group**	**Ownership Capital**
Company name	Metro Inc	Bio-Techne
Date of vote	24-01-2023	27-10-2022
Approximate size of fund's/mandate's holding as at the date of the vote	N/D	3.40%
Summary of the resolution	Shareholder Proposal Regarding Human Rights Impact Assessment	Advisory Vote to Ratify Named Executive Officers' Compensation
How you voted	For	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	Yes
Rationale for the voting decision	Favor improved human/political rights policies/disclosure.	Amongst other topics, we had engaged with the company regarding the adoption of a clear clawback policy, and we were encouraged to see this achieved. However, we also engaged on the addition of a returns based performance metric such as ROIC/ ROI/ROA, for its LTIPS. This has not been achieved and the metrics still remain the same across its long term and short term awards. As such we vote Against. Performance based awards and Time based awards also sit at 50% / 50% weighting for short term and long term awards which is suboptimal.
Outcome of the vote	Fail	Pass

Implications of the outcome	Man's policy is particularly supportive of positive environmental and social-related shareholder proposals and the Stewardship Team reviews all shareholder proposals to ensure that our voting instructions are appropriate and aligned with the promotion of higher ESG principles and standards. We think that active voting, particularly through shareholder proposals, is essential to our stewardship responsibilities and a powerful way of making our investee companies to think and act on important topics.	Man's policy is particularly supportive of positive environmental and social-related shareholder proposals and the Stewardship Team reviews all shareholder proposals to ensure that our voting instructions are appropriate and aligned with the promotion of higher ESG principles and standards. We think that active voting, particularly through shareholder proposals, is essential to our stewardship responsibilities and a powerful way of making our investee companies to think and act on important topics.
On which criteria have you assessed this vote to be "most significant"?	ESG Shareholder proposal	Appropriate compensation is a key element for appropriate governance. If we deem thresholds are too simplistic it is our right as shareholders to try and remedy that.

Most Significant Votes – DB

Asset Manager	**Ownership Capital**	**RBC Global Asset Management**
Company name	Edwards Lifesciences	Raia Drogasil
Date of vote	11-05-2023	19-04-2023
Approximate size of fund's/mandate's holding as at the date of the vote	5.30%	1.9%
Summary of the resolution	Require Independent Board Chair	Elect Directors
How you voted	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No
Rationale for the voting decision	The company has split the CEO and Chairman role with the retirement of the long-standing CEO. The company has also maintained the position of lead independent director in the board which we deem sufficient.	A vote AGAINST this item is warranted because: * The proposed board's level of independence fails to meet the expectations of institutional investors; and * The company has bundled the election of directors under a single item, preventing shareholders from voting individually on each nominee.
Outcome of the vote	Fail	Pass
Implications of the outcome	This was an escalation after a few years of engagement on the topic.	Similar to last year, we will continue to monitor this issue and if needed, continue our engagement with the company.
On which criteria have you assessed this vote to be "most significant"?	This is significant because board refresh and diversity ensure appropriate oversight, independence and improved governance.	Based on the impact to shareholder rights.

Most Significant Votes – DB

Asset Manager	**Sands Capital Management**	**Sands Capital Management**
Company name	CP All Public Company Limited	Amazon.com, Inc.
Date of vote	21-04-2023	24-05-2023
Approximate size of fund's/mandate's holding as at the date of the vote	0.70%	4.90%
Summary of the resolution	Elect Prasert Jarupanich, Pittaya Jearavisitkul, Piyawat Titasattavorakul, Umroong Sanphasitvong, and Narong Chearavanont as Directors	Human Rights Risk Assessment
How you voted	Against	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes	No. We engaged with the company on the topics of labour, health and safety before the vote.
Rationale for the voting decision	All 5 board nominees are considered insiders, which led to our vote against them. We have engaged with CP All on board independence since 2014 with no real progress. Governance concerns at CP All subsequentially led to the decision to exit our position in the company.	We believe this issue has reached a level of importance, where a report could be useful. While we agree that Amazon is committed to responsibly using its technology products and services, and has taken steps to address illegal and discriminatory use, the primary mechanism has been through customer contractual requirements and policies. Given the proliferation and importance of artificial intelligence and machine learning, this topic is one where Amazon has an opportunity to be a thought leader through transparency.
Outcome of the vote	Pass	Fail

Implications of the outcome	This was an escalation after a few years of engagement on the topic.	Similar to last year, we will continue to monitor this issue and if needed, continue our engagement with the company.
On which criteria have you assessed this vote to be "most significant"?	The criteria we selected to assess the "significance" of the vote were the dissent level, shareholder proposals we voted FOR, times we voted AGAINST management or ISS, historical votes on similar proposals, and overall relevance to the strategy.	The criteria we selected to assess the "significance" of the vote were the dissent level, shareholder proposals we voted FOR, times we voted AGAINST management or ISS, historical votes on similar proposals, and overall relevance to the strategy.

Voting Behaviour in DC Section

Voting statistics - DC

Investment Manager	**Amundi**							
Fund	Global Multi-Factor Equity	MSCI World Climate Transition	Index MSCI World SRI	Index MSCI Emerging Markets	Index MSCI Emerging Markets SRI	Index FTSE EPRA NAREIT Global	Index MSCI ex China ESG Leaders	Index MSCI China ESG Leaders
How many meetings were you eligible to vote at?	541	84	258	1330	135	262	201	261
How many resolutions were you eligible to vote on?	7674	1066	3930	15232	1602	3227	2241	3099
What % of resolutions did you vote on for which you were eligible?	100.00%	99.00%	100.00%	97.00%	99.00%	99.00%	93.00%	98.00%
Of the resolutions on which you voted, what % did you vote with management?	74.00%	77.00%	76.00%	82.00%	81.00%	77.00%	83.00%	79.00%
Of the resolutions on which you voted, what % did you vote against management?	26.00%	23.00%	24.00%	18.00%	19.00%	23.00%	17.00%	21.00%
Of the resolutions on which you voted, what % did you vote to abstain?	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
In what % of meetings, for which you did vote, did you vote at least once against management?	71.00%	72.00%	79.00%	59.00%	61.30%	72.00%	58.00%	70.00%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Investment Manager	**BlackRock**		**Legal and General Investment Management**					**HSBC IM**
Fund	Blackrock AB GLB EQ	iShares ESG Screened Gbl Corp Bnd Idx GBP Hgd Acc	Ethical UK Equity Index	Ethical Global Equity Index	Diversified Fund	Global Equity Market Weight (30:70) Index	Future World Annuity Aware	HSBC Islamic Global Equity Fund
How many meetings were you eligible to vote at?	1136	4494	240	1135	8827	6862	2	105
How many resolutions were you eligible to vote on?	12562	48349	4427	16486	93066	71828	2	1677
What % of resolutions did you vote on for which you were eligible?	99.00%	93.37%	99.98%	99.90%	99.80%	99.93%	100.00%	94.00%
Of the resolutions on which you voted, what % did you vote with management?	96.00%	85.54%	94.37%	81.36%	76.66%	81.36%	100.00%	76.00%
Of the resolutions on which you voted, what % did you vote against management?	3.00%	7.83%	5.63%	18.44%	22.97%	18.08%	0.00%	23.00%
Of the resolutions on which you voted, what % did you vote to abstain?	0.00%	0.50%	0.00%	0.20%	0.38%	0.56%	0.00%	0.00%
In what % of meetings, for which you did vote, did you vote at least once against management?	22.00%	34.98%	44.77%	75.42%	75.02%	61.11%	0.00%	80.00%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	0.00%	0.00%	4.29%	13.93%	14.40%	10.42%	0.00%	1.00%

Most significant votes

Asset Manager	**Legal and General Investment Management**	**Legal and General Investment Management**
Company name	Shell Plc	American Tower Corporation
Date of vote	2023-05-23	2023-05-24
Approximate size of fund's/mandate's holding as at the date of the vote	0.30%	0.22%
Summary of the resolution	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 1f - Elect Director Robert D. Hormats
How you voted	Against (against management recommendation)	Against (against management recommendation)
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the companyâ€™s leadership in pursuing low carbon products. However, we remain concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.	Diversity: A vote against is applied due to the lack of gender diversity at executive officer level. LGIM expects executives officers to include at least 1 female.
Outcome of the vote	80% (Pass)	98% (Pass)
Implications of the outcome	LGIM continues to undertake extensive engagement with Shell on its climate transition plans	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. We expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Most Significant Votes – DC

Asset Manager	Legal and General Investment Management	HSBC IM
Company name	Public Storage	Alibaba Group Holding Limited
Date of vote	02-05-2023	28-09-2023
Approximate size of fund's/mandate's holding as at the date of the vote	0.16%	0.0019%
Summary of the resolution	Resolution 5 - Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Elect Director Kabir Misra
How you voted	For (against management recommendation)	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	No
Rationale for the voting decision	Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5Â°C. This includes the disclosure of scope 1, 2 and material scope 3 GHG emissions and short-, medium- and long-term GHG emissions reduction targets consistent with the 1.5Â°C goal.	We are voting against this longest serving non-executive male director as we have concerns about insufficient gender diversity of the board.
Outcome of the vote	34.7% (Fail)	The resolution passed.
Implications of the outcome	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.	We will likely vote against a similar proposal should we see insufficient improvements.
On which criteria have you assessed this vote to be "most significant"?	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.	The company has a significant weight in the portfolio and we voted against management.

Most Significant Votes – DC

Asset Manager	**HSBC IM**	**HSBC IM**
Company name	Compagnie Financiere Richemont SA	Meta Platforms, Inc.
Date of vote	06-09-2023	31-05-2023
Approximate size of fund's/mandate's holding as at the date of the vote	0.002%	0.0286%
Summary of the resolution	Approve Fixed Remuneration of Executive Committee in the Amount of CHF 8 Million	Report on Human Rights Impact Assessment of Targeted Advertising
How you voted	Against	FOR (Vote Against Management)
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No
Rationale for the voting decision	We consider the quantum of the total pay excessive.The CFO received a significant fixed compensation increase without a compelling justification.The proposal implies a significant level of flexibility and there is no indication of how the amount will be allocated.	We believe that the proposal would contribute to the better management of human rights issues.
Outcome of the vote	The resolution passed.	The shareholder resolution did not pass.
Implications of the outcome	We will likely vote against a similar proposal should we see insufficient improvements.	We will likely vote against a similar proposal should we see insufficient improvements.
On which criteria have you assessed this vote to be "most significant"?	The company has a significant weight in the portfolio and we voted against management.	The company is on our 2023 engagement priority list, has a significant weight in the portfolio and we voted against management.

Voting Policy Analysis

Investment Manager	Legal and General Investment Management
What is your policy on consulting with clients before voting?	LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients. Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.
Please provide an overview of your process for deciding how to vote.	All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.
How, if at all, have you made use of proxy voting services?	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice. We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.
Voting Policy Document	Yes

Investment Manager	Man Group
What is your policy on consulting with clients before voting?	As part of our commitment to stewardship, we maintain a custom voting policy. Our custom voting policy seeks to encourage good corporate governance practices and promote ESG standards, whilst taking into consideration both company specific circumstances and broader market differences. We understand that not all companies can fit a single model of governance and that best practice, regulatory requirements and corporate governance codes within different markets require a balanced and bespoke voting approach. We endeavour to conduct a fair level of research and consider the context and explanations provided by investee companies when making voting decisions. Nevertheless, our voting policy also comprises global best practice guidelines and areas of focus that we believe should be considered across all regions. Our aim is to vote at all meetings for our holdings where we have the legal right to do so. Where applicable, we will vote in accordance with our custom voting policy, unless specifically instructed to vote otherwise by a Portfolio Management Team or Client. If a Portfolio Management Team or Client provides Man Group with specific instructions as to the manner in which a proxy should be voted, we will follow such instructions.
Please provide an overview of your process for deciding how to vote.	As stated, we follow our custom voting policy when determining how to vote, unless we receive specific instructions from a Portfolio Management Team or Client. Given the number and diversity of investment teams at Man Group, we recognise that situations may arise in which investment teams form differing opinions on a proxy vote. In such circumstance, Man Group maintains a process designed to consider all perspectives, weighing them against management recommendations, recommendations from our proxy vote provider, the advice of Man Group's Stewardship Team and, when required, guidance from our Stewardship Committee, in order to arbitrate a decision that is transparent and in line with best practice. Man Group's Stewardship Team maintains documentation of all proxy voting decisions which are contrary to Man Group's custom voting policy. These are reviewed by the Stewardship Committee on a quarterly basis.
How, if at all, have you made use of proxy voting services?	Information and Recommendations - Man Group appointed Glass Lewis as its proxy service provider. We use Glass Lewis's voting platform 'Viewpoint' to vote our shares electronically, receive research reports and custom voting recommendations. We have monitoring controls in place to ensure that the recommendations provided are in accordance with our custom voting policy and that our votes are timely and effectively instructed. Specifically, our voting framework employs screening to identify high-value positions and the Stewardship Team manually reviews the pre-populated votes for such positions. In addition to this manual check, we also have in place electronic alerts to inform us of votes against our policy, votes that need manual input and rejected votes that require further action.
Voting Policy Document	Yes

Investment Manager	**Ownership Capital**
What is your policy on consulting with clients before voting?	Because we view voting as one of our engagement tools, we currently vote our own shares according to our own guidelines. This makes us less prone to mistakes and more consistent with our dialogue with the management teams of our portfolio companies. However, we are always open to discussing voting with our clients, if requested.
Please provide an overview of your process for deciding how to vote.	Our investment team decides how to vote based on the firm's view of corporate governance best practice and our knowledge of each company's business situation. We supplement this through an ongoing dialogue with management. The recommendations are collected by one member of the investment team, responsible for the screening of the recommendations against the internal voting policy and checking for consistency against previous voting activity. Once this screening is successfully performed, the voting instructions are sent to the proxy voting platform.
How, if at all, have you made use of proxy voting services?	We use the ISS platform for voting and reporting.
Voting Policy Document	Yes

Investment Manager	**RBC Global Asset Management**
What is your policy on consulting with clients before voting?	RBC Global Asset Management (RBC GAM)'s final voting decisions are independent and voting rests solely with RBC GAM. In order to ensure that our votes are entered with our clients' best interests in mind, the RBC GAM Responsible Investment (RI) team reviews every voting proposal to ensure that proxy advisory firm's recommendation reflects our Guidelines' intention.
Please provide an overview of your process for deciding how to vote.	Our internal expertise and leading independent research firms have established our Proxy Voting Guidelines to govern the exercise of our voting rights. We review and update our Guidelines on an ongoing basis as corporate governance best practices evolve. Our Guidelines are published for the information of our clients and to assist issuers in understanding the message we have sent or intend to send through the exercise of proxy voting rights. While we will generally vote proxies in accordance with the Guidelines, there may be circumstances where we believe it is in the best interests of our clients for us to vote differently than as contemplated by the Guidelines, or to withhold a vote or abstain from voting. In the event of a perceived or actual conflict of interest involving the exercise of proxy voting rights, we follow procedures to ensure that a proxy is exercised in accordance with our Guidelines, uninfluenced by considerations other than the best interests of our portfolios. Please refer to our proxy voting guidelines for details of specific factors we consider when voting.
How, if at all, have you made use of proxy voting services?	RBC GAM retains the services of Institutional Shareholder Services (ISS) to provide proxy research and issue custom voting recommendations based on our Guidelines. We make each voting decision independently, in accordance with our Proxy Voting Guidelines. These custom guidelines provide an overview of the principles we support and how we will vote on particular issues. They are updated yearly to reflect our views on emerging trends in corporate governance and responsible investment. In addition to research provided by ISS, RBC GAM has also retained Glass Lewis & Co. to provide proxy research.
Voting Policy Document	Yes

Investment Manager	Ruffer LLP
What is your policy on consulting with clients before voting?	Ruffer, as a discretionary investment manager, does not have a formal policy on consulting with clients before voting. However, we can accommodate client voting instructions for specific areas of concerns or companies where feasible.
Please provide an overview of your process for deciding how to vote.	Please see Ruffer's Responsible Investment policy: https://www.ruffer.co.uk/-/media/ruffer-website/files/downloads/esg/ruffer-ri-policy.pdf
How, if at all, have you made use of proxy voting services?	Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS). We have developed our own internal voting guidelines, however we take into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although we are cognisant of proxy advisers' voting recommendations, we do not delegate or outsource our stewardship activities when deciding how to vote on our clients' shares. Each research analyst, supported by our responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer. As discussed above, we do use ISS as an input into our decisions. In the 12 months to 30 September 2023, of the votes in relation to holdings in the Ruffer Absolute Return Fund we voted against the recommendation of ISS 7.62% of the time.
Voting Policy Document	Yes

Investment Manager	**Amundi**
What is your policy on consulting with clients before voting?	Amundi is committed to transparency and where possible, it informs issuers of planned negative votes.
Please provide an overview of your process for deciding how to vote.	To best fulfil its responsibility as an investment management company in the exclusive interest of its clients, Amundi decided to exercise the voting rights of a large majority of its managed UCI, regardless of their management strategy. Criteria for selecting funds To avoid any adverse impact on unit holders, there are established criteria for avoiding excessive voting costs and improving efficiency. This applies only to funds with equity assets of at least €15 million. Based on the chosen threshold, funds whose assets are too low need not be retained, and disproportionate costs can be avoided. Nonetheless, certain funds below this threshold may be included in the scope. The voting right is exercised on the entirety of the shares held, unless the required blocking period threatens to have an adverse impact on the bearer by interfering with the leeway the portfolio manager needs. Exceptionally, we may not be able to ensure effective voting for some or all of the shares held. Criteria for selecting meetings The funds exercise their voting rights at the meetings of the companies in which they have an equity investment whenever possible. However, again in the interests of cost control and increased efficiency, Amundi reserves the right not to exercise the voting rights when it considers the economic cost to be prohibitive in relation to ownership.
How, if at all, have you made use of proxy voting services?	The team uses the ISS ProxyExchange platform to send its voting instructions. Analysis from ISS, Glass Lewis, and Proxinvest is available to more efficiently identify problematic resolutions, while retaining complete autonomy from their recommendations. ISS also provides customized voting recommendations based on Amundi’s voting policy.
Voting Policy Document	Yes

Investment Manager	**HSBC IM**
What is your policy on consulting with clients before voting?	The legal right to the underlying votes lies with the directors of the HSBC CCF Islamic Global Equity Fund. They have delegated this execution of this voting to HSBC Global Asset Management (UK) Limited.
Please provide an overview of your process for deciding how to vote.	We exercise our voting rights as an expression of stewardship for client assets. We have global voting guidelines which protect investor interests and foster good practice, highlighting independent directors, remuneration linked to performance, limits on dilution of existing shareholders and opposition to poison pills.
How, if at all, have you made use of proxy voting services?	We use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of our voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. We review voting policy recommendations according to the scale of our overall holdings. The bulk of holdings are voted in line with the recommendation based on our guidelines.
Voting Policy Document	Yes

Final Remarks

The reporting period for this Statement covers 1 October 2022 to 30 September 2023. Any actions undertaken by the Trustee after this date will be covered in the next Statement.