

TPT Retirement Solutions

Value for Members

Defined Contribution Sections

**Agreed by Verity Trustees Limited, Trustee of The Pensions Trust – 22 January
2019**

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1. Value for Members

Background

This report has been prepared for the Trustee in the context of their ongoing monitoring and oversight of the Defined Contribution (DC) arrangements of The Pensions Trust. The Pensions Trust is the registered name of the occupational pension scheme, governed by a trust deed and rules effective 1 November 2014, as amended. The Pensions Trust, together with The Pensions Trust 2016, operates under the brand name 'TPT Retirement Solutions'. For the purpose of this document all references to 'TPT' refer to The Pensions Trust and TPT Retirement Solutions as one and the same entity. This document does not cover any pension arrangement in The Pension Trust 2016 scheme.

The purpose of this report is to assess the value for members of the DC arrangements within TPT in relation to the costs they pay in return for the benefits and services they receive.

TPT Retirement Solutions

TPT (the Scheme) is an occupational trust-based pension scheme, and a master trust arrangement, established in 1946. The Trustee is a corporate trustee, Verity Trustees Limited. TPT is a not for profit organisation, run for the benefit of its members. TPT's mission statement is 'making membership worthwhile'. TPT believes that its values make it different from other providers, and enables it to focus on employers and members, rather than shareholders.

TPT's core values are:

- Committed
- Cost effective
- Customer focussed
- Inclusive
- Innovative
- Integrity

The Scheme has 41 individually segregated sections. Within these 41 Schemes there are 2 stand-alone DC Schemes:

- Flexible Retirement Plan (FRP)
- The Ethical Fund (TEF)

There are also 6 hybrid arrangements which provide DC benefits as well as Defined Benefit (DB) benefits:

- The CARE Scheme – DC Section - closed to future contributions from 1 April 2016
- The Growth Plan - Series 4 provides exclusively DC benefits
- The Genesis Pension Scheme – DC section
- Scottish Housing Associations' Pension Scheme – DC section
- Social Housing Pension Scheme – DC scheme
- The Independent Schools' Pension Scheme – DC section

In terms of the day to day running, the DC arrangements are grouped together and effectively run as a single pension scheme for the purpose of administration, investment and governance.

Throughout this document we collectively refer to all of the DC arrangements under the Scheme as the DC Scheme.

As at 30 September 2018 there were 208,668 member of the DC Scheme.

Audit and Assurance Framework 02/07

TPT has adopted the framework provided by the Audit and Assurance faculty of the Institute of Chartered Accountants in England and Wales (ICAEW) entitled Assurance reporting on Master Trusts (Master Trust Supplement to ICAEW AAF 02/07), also known as 'the Master Trust Supplement to AAF 02/07'. TPT has been included on TPR's list of master trust providers who have successfully met certain eligibility criteria since 2016.

Authorisation

TPT is currently preparing its application for Authorisation under the Pension Schemes Act 2017. TPT submitted a Readiness Review application earlier this year and received useful feedback. This feedback provided no cause for concern about TPT's likelihood of obtaining Authorisation, and the Trustee is confident that this will be achieved.

To become Authorised, the Trustee will need to demonstrate that the Scheme:

- Has people running it that are 'fit and proper persons' (the Trustee Directors and members of the Management Board and Senior Management Team)
- Has a sensible and achievable Business Plan
- Is financially sustainable in a variety of possible economic and other scenarios
- Has an extensive set of Systems and Process which govern the running of the Scheme, and it has been checked that they are in place, work in practice and are monitored
- Has robust plans in place in case the Scheme either needs to address a serious issue or as a last resort wind-up. This includes plans as to how the Trustee will act in these circumstances but also how any such action would be financed without increasing charges for members.

As such, Authorisation will provide members with further comfort that the Scheme is being well run, is sustainable in the long-term and will continue to deliver value for money for members in various different situations.

Value for money

Poor value for members is a key risk that trustee boards have to manage. The law requires the Trustee to "calculate at least annually, the charges, and in so far as they are able to, transaction costs to which member funds are subject and to assess the extent to which they represent good value for members."

In preparation of this report TPT has considered the illustrative approach provided in the Pension Regulator's guide to Value for Members which has been produced to support the DC Code of Practice No. 13 "Governance & administration of occupational trust-based schemes providing money purchase benefits".

In addition, data and information has been collated from mostly publicly available sources on TPT's main 'comparator' master trusts.

2. Process

Preparation of this assessment

In order to assess value for money for members, the Trustee followed a process as described below:

- Reviewed the criteria against which value for money is judged
- Collated information on TPT member offerings together with that of its main 'comparator' DC master trusts
- Reviewed the scope and quality of the DC Scheme offering
- Collated the actual performance of the DC Scheme during the period
- Considered the costs charged to members for the DC Scheme services
- Reviewed each of the items in absolute terms as well as relative to TPT's 'comparators'
- Reviewed the improvements listed in last year's VFM report and the effect and outcome
- Looked at the work carried out in 2017-18 to further improve member and employer experience and assist with cost effectiveness.
- Identified future improvements

Areas considered when judging value for money

The following areas have been considered:

- Scheme Governance and Management
 - Trustee Board
 - Structure of TPT
 - Member Complaints / Disputes
- Scheme Administration
 - Contributions
 - Member records and data
- Investment
 - Investment default
 - Member self-select options
 - Risk profile
 - Investment returns
- Member Communication and Engagement
 - Accumulation Phase
 - Online access
 - Pre-retirement Phase
 - Member feedback

3. Member Services

We set out in this section the scope of services provided to DC scheme members.

<p>Scheme Governance and Management</p>	<p>Trustee Board</p> <p>The Trustee is responsible for all aspects of running the Scheme including administration, investment, governance and communications.</p> <p>Three Trustee Directors are nominated by members, three by employers and a further three are co-opted by the Member and Employer Nominated Directors.</p> <p>Management Board</p> <p>The Management Board is responsible for overseeing the operation of TPT Retirement Solutions and ensuring that the Trustee's delegates exercise the powers delegated to them appropriately.</p> <p>There are five members of the Management Board, four non-executives and the Chief Executive, all of whom are appointed by the Trustee.</p> <p>The Trustee and Management Board are directly supported by the Senior Management Team (SMT) of TPT and further supported/advised by:</p> <ul style="list-style-type: none"> • Its investment adviser, Redington • A team of legal advisers from Linklaters and CMS who specialise in pension scheme advice and have extensive experience of the Scheme • The Scheme Actuary, Steve Robinson of JLT Benefit Solutions Ltd (JLT) • The Scheme Auditor, PwC <p>Trustee advisers are normally reviewed every five years.</p> <p>Structure of TPT</p> <p>TPT employs approximately 160 people to run the overall Scheme. Of these:</p> <ul style="list-style-type: none"> • 26 administrators hold or are studying either the Diploma or Certificate in Pensions Administration from the Pensions Management Institute (PMI). • 14 employees are APMI or FPMI qualified and another 26 are part PMI qualified. • TPT also employs <ul style="list-style-type: none"> ○ three qualified actuaries ○ one in house lawyer (who specialises in pension's law) ○ 36 staff with alternative professional qualifications, including Chartered Financial Analyst (CFA), Chartered Institute of Public Relations (CIPR) and Chartered Institute of Management Accountants (CIMA). <p>In addition, there is a dedicated DC Oversight Committee made up of the SMT and DC specialists within the organisation. Recruitment is also currently underway for a Head of DC, who will have overall responsibility for day to day</p>
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	<p>DC governance and operations.</p> <p>Member Complaints / Disputes</p> <p>Complaints by members regarding DC services are dealt with in the first instance by JLT, who are responsible for the underlying administration and member events of the DC Scheme. Employer complaints are dealt with initially by TPT.</p> <p>If a member or employer invokes the Internal Dispute Resolution Procedure (IDRP), the complaint is passed over to the Trustee Services Team who investigate the complaint and respond to the complainant, in accordance with the IDRP. If a complainant is unhappy with the decision reached in the first stage of the IDRP, the complainant has the right to appeal to the Appeals and Discretions Committee.</p>
<p>Scheme Administration</p>	<p>DC administration is outsourced to JLT, who are responsible for the underlying administration and member events of the DC Scheme. TPT has a detailed contract with JLT which provides for all required administration services, both on an ongoing basis and following termination of the contract.</p> <p>TPT monitors JLT’s performance every month, including all day to day member administration services (new members, transfers in and out, benefit statements, queries, quotations and at retirement services) against Service Levels Agreements (SLAs).</p> <p>Contributions</p> <p>TPT collects the contributions and data from employers and validates the data provided alongside the contribution schedules, to ensure accurate data is uploaded. Data and contributions are then passed onto JLT for investment allocation updating of member records.</p> <p>Straight through processing is in place, linking JLT with the investment platform at Phoenix Corporate Investment Services (Phoenix, formerly AXA Wealth) for the investment and disinvestment of contributions. Contributions are usually invested within 3 working days of receipt and reconciliation of money and data from Employers.</p> <p>Member records and data</p> <p>TPT receives an annual report on the common data quality of DC members from JLT. An action plan to improve any data items is subsequently created and agreed.</p> <p>A daily data match back report between TPT and JLT is also in place to continuously monitor and improve the quality of data submitted by employers.</p>
<p>Investment</p>	<p>Investment default</p> <p>AllianceBernstein’s (AB) Target Date Funds (TDFs) are the default strategy for DC members.</p>

TDFs offer opportunities for growth in the early accumulation stage, via investment in growth type assets, and increasing stability for members approaching retirement via an actively managed move into lower risk assets. These funds are customised by AB to meet the profile of TPT's DC membership.

The investment objective for the default strategy is set by the Trustee and is reviewed annually. The Investment Committee (IC) reviews the ongoing suitability of the actual funds used for the default and the range of self-select funds. Following the most recent review completed by the Trustee's investment adviser, Redington, (finalised in August 2018), the Trustee continues to consider TDFs to be the most suitable strategy for the majority of members. They also continue to view AB's TDFs as appropriate for the DC Scheme and to provide good value.

Member self-select options

For members who want an ethically managed option or who want to be more directly involved in the allocation of their money the DC Scheme offers members a range of investment options in addition to the default funds

- Ethical TDFs (ETDFs)
 - Choices according to the members expected date of retirement
- Seven "self-select" funds:
 - Diversified Growth Fund
 - Global Equity Fund
 - SRI Fund
 - Property Fund
 - Index-linked Gilts Fund
 - Bond Fund
 - Cash Fund

No changes were made to the self-select investment options available during 2017/2018

Members may use their online account or download a form from the DC website, to change their fund choices free of charge at any time.

Risk profile

The main risk to members is that the investment returns over the life of the funds fail to keep pace sufficiently with inflation and hence their funds lose value in 'real' terms. To try to achieve this, TDFs have an investment benchmark that is expressed as a return in excess of inflation (measured by the Consumer Prices Index (CPI)).

In addition to aiming to achieve these long term returns the investment manager seeks to dampen the impact of short-term market volatility by making adjustments to the asset allocation.

As members approach retirement, their risk changes to that of ensuring that their investments 'match' in some way their requirements in retirement. This can take the form of an element of increasing capital security but with retention of some growth assets. Therefore, in the years preceding retirement a proportion of assets are moved from growth assets into lower risk assets.

	<p>Investment Performance</p> <p>TPT's internal 'Investment Management Team' monitors investment performance on an ongoing basis and present quarterly reports to the IC. The Trustee receives an annual report on DC investment performance.</p>
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Member Communication and Engagement

The Trustee considers member communication to be a vital element of delivering value for members.

All DC member communications are drafted by a subject matter expert, technically checked (if appropriate) and reviewed for clarity to ensure that the materials are clear, understandable, are in line with TPT standards and delivered with appropriate TPT branding.

Member communications are divided into two categories,

- those which members receive whilst they are building up their retirement fund (the Accumulation phase); and
- those which members receive as they are approaching retirement (the Decumulation phase).

Communications received by members in each of these phases are summarised below.

Accumulation phase

- Welcome letters when joining the Scheme
- Online access to individual records via JLT's BenPal where they are able to:
 - View their current fund value
 - View and amend their investment decisions and contribution rates
 - Model their expected retirement benefits based on personalised data (actual fund values, contribution rates and salary information).
 - Change contact details and nomination details
 - Request retirement quotations.
- An annual benefit statement and Statutory Money Purchase Illustration (SMPI), including flyers on relevant topics such as transferring in or signing up to BenPal.
- Website – TPT has a website for each DC arrangement, which provides the information that members need to know about their scheme, as well as more general information and educational material.
- Helplines – TPT and JLT operate helplines for members during office hours (8.30am-5.00pm).
- Enquiries email – Members can contact the TPT team at JLT via a dedicated mailbox.
- Member guides – PDF versions are available on the website with hard copies issued on request.
- Fund factsheets – online and updated quarterly. A Guide to Fund factsheets is also available online.
- Newsletters – issued to members via email.

Online access

In total, 2,140 eligible employers have signed up to BenPal and this covers over 95% of the DC population. In practice around 40% of DC members have logged into BenPal to date.

Decumulation phase

- TPT contacts members 12 months before their expected retirement age

	<p>with a 'wake up pack' detailing their retirement options and current fund value. Members are reminded of the availability of the online Pensions Calculator, so they are able to estimate their likely pension.</p> <ul style="list-style-type: none">• A full retirement pack is sent six months prior to retirement. This includes general risk warnings, signposts members to Pension Wise and provides members with the relevant paperwork to allow them to commence their retirement should they wish.• TPT has partnered with JLT to provide members with an 'at retirement' service in respect of annuities and income drawdown options. Members are offered a two-tier service with a pricing structure to reflect the level of advice given. Members can use JLT's service or their own independent financial advisor (IFA). Members who choose not to use any such service are still given details of the choices available to them and are offered the use of an online facility, the Pensions Calculator (without charge), to assist them to make appropriate retirement choices. <p>Member feedback</p> <p>TPT undertakes ongoing customer satisfaction surveys with its members. These surveys allow TPT to monitor the perceived quality and service that members are receiving and to identify areas for improvement.</p> <p>Feedback from members is reviewed on a monthly basis to identify any recurring themes or new issues that may have arisen.</p>
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4. Scope and quality of services to members

When assessing the scope and quality of the services provided, the following factors were considered:

- member needs
- performance

Member needs

Assessing member needs directly is very difficult given the size of the membership and the reality that some members do not know themselves what they need in relation to their pension planning. However, we have looked at the general membership statistics and attempted to gauge members' views.

Membership data

TPT's DC offering is still relatively immature with the average fund size only £6,300 as at October 2018, and the average length of service approximately 3 years.

The average salary is around £22,500 and the average contribution rate is 7.45%, across all members. Members under age 30 have a slightly lower average contribution rate of 6.76%. Members over age 65 have a higher average contribution rate of 8.59%.

It's noted that TPT has some high-earning members and some large individual fund values, but generally members DC savings are quite low.

Over 96% of TPT's DC members invest in a default fund.

We conclude from this that TPT has to provide its members with help and support for those few members who are likely to want to 'do things themselves' but more importantly for the majority of members, a scheme that allows them to not have to be fully active in their pension planning (but conversely aims over time to persuade some members that they may benefit from a more active involvement).

Membership Survey

In April 2016, TPT surveyed its active and deferred DC members who were aged over 55 years. The aims of the survey were to provide insight into these members' requirements and the appropriateness or otherwise of TPT's investment approach, particularly in the lead up to retirement.

The key findings confirmed a need for flexibility in investments in the accumulation stage as members generally do not know when they are going to retire, or what they will do with their funds. There was also an interest in the (new then) idea of drawing down income in retirement rather than purchasing an annuity. We believe that this research still remains relevant as our membership profile has not changed significantly.

The overall flexibility is provided by the TDF accumulation approach, and the interest in a drawdown solution is now met by the member option of a drawdown offer through JLT on a non-advised basis or members can choose to pay for advice through JLT or their own choice of IFA.

TPT will continue to monitor its membership needs, the wider market and industry surveys on member decisions and outcomes and will consider undertaking further member surveys in the future.

Performance

We set out in this section the performance of services provided to DC Scheme members.

Scheme Governance and Management	<p>External assessment</p> <p>TPT successfully retained its PQM Ready Quality Mark in 2017. This means that the DC Scheme has been independently assessed as having good standards of governance, low charges and clear member communications.</p> <p>TPT has also retained the Master Trust Assurance Framework Accreditation in 2018, with its third type two assurance report, by demonstrating high quality governance and administration standards and continued to be included in the Pensions Regulator’s approved list of master trusts.</p> <p>The Trustee submitted a ‘Readiness Review’ to the Pensions Regulator in relation to its application for Authorisation. The feedback received from this gave no cause for concern as to the likelihood of becoming Authorised.</p> <p>Trustee assessment</p> <p>The Trustee undertakes an annual appraisal process to ensure that each of the Trustee Directors is performing in their role. Feedback received through the appraisal process feeds into the training programme for the following year.</p> <p>Also, as part of TPT’s application for Authorisation, all Trustees and those members of the wider management team that have an influence over the day to day running and future of the DC Scheme will be judged against a list of criteria defining “fit and proper” to run a DC master trust.</p> <p>Member Complaints / Disputes</p> <p>Over the 12 month period to September 2018, TPT received 18 formal complaints under the IDRPs about service in the DC Scheme. 5 of these were referred to the Appeals and Discretions Committee.</p> <p>There was one complaint referred to the Pensions Ombudsman in respect of DC schemes over the reporting period. This was resolved directly between the Ombudsman, the member and the employer, without further reference or compensation being required from TPT.</p>
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<p>Scheme Administration</p>	<ul style="list-style-type: none"> • Service Level Agreements (SLAs) are monitored on a monthly basis by TPT, with the target being 95% achievement. Over the 12-month period to September 2018, JLT’s average SLA was over 98%. • JLT provide TPT with confirmation each month that they are fulfilling their statutory obligations in respect of administration. • Accuracy of Common Data remains just below the standards expected by the Pension Regulator (94% against a benchmark of 95%), mainly due to deferred members not advising JLT of changes in their addresses. Improvements have though been made in several areas following an exercise in 2017 to cleanse existing data and improve verification of new data. A new daily data match back report between TPT and JLT is now in place to monitor and improve the quality of data submitted by employers. In addition an exercise will take place during 2019 to trace deferred members for whom no current address is held with the aim of at least meeting the Common Data standards expected by the Pensions Regulator. • From August 2018, TPT has now operated a dedicated ring-fenced customer service centre for all DC members to call and speak to a TPT scheme expert. • The performance of TPT’s administration service has been in line with the Trustee’s expectations over the 12 month period. 																																			
<p>Investment</p>	<p>The Investment Management Team monitors investment performance on an ongoing basis and presents quarterly reports to the IC. Each fund has an outperformance expectation over a Consumer Price Index benchmark.</p> <p>TDFs for ‘younger’ members have a performance expectation of CPI + 4% over the life of the fund. This performance expectation reduces as members approach retirement age, to CPI + 0%. Since inception all TDF’s have beaten their respective benchmarks.</p> <p>Figures for the year to March 2018 include a volatility score. Volatility is a measure of risk – it is a statistical calculation of the variation of returns over time from their mean (average) value.</p> <table border="1" data-bbox="424 1429 1362 1771"> <thead> <tr> <th>Performance to 31 Mar 2018 since inception (1 Mar 2013) - annualised</th> <th>Target Date Funds</th> <th>Ethical TDFs Post 1999</th> <th>Ethical TDFs Pre 1999</th> <th>Benchmark[#]</th> <th>Volatility TDFs</th> <th>Volatility Ethical TDFs Post 1999</th> </tr> </thead> <tbody> <tr> <td>2017-2019</td> <td>6.10%</td> <td>5.98%</td> <td>6.20%</td> <td>2.93%</td> <td>5.63%</td> <td>5.44%</td> </tr> <tr> <td>2029-2031</td> <td>8.56%</td> <td>9.31%</td> <td>9.53%</td> <td>4.45%</td> <td>7.32%</td> <td>7.15%</td> </tr> <tr> <td>2038-2040</td> <td>9.37%</td> <td>9.55%</td> <td>9.77%</td> <td>5.46%</td> <td>8.32%</td> <td>8.01%</td> </tr> <tr> <td>2047-2049</td> <td>9.34%</td> <td>9.64%</td> <td>n/a</td> <td>5.46%</td> <td>8.37%</td> <td>8.58%</td> </tr> </tbody> </table> <p>All performance is presented net of AMC and additional fund expenses [#]CPI plus the outperformance expectation set at inception</p> <p>Since the TDF funds started in February 2013 both equities and bonds have shown strong performance while inflation has been relatively subdued. As a result, all TDFs have exceeded their relevant CPI+X% performance expectations by large margins.</p>	Performance to 31 Mar 2018 since inception (1 Mar 2013) - annualised	Target Date Funds	Ethical TDFs Post 1999	Ethical TDFs Pre 1999	Benchmark [#]	Volatility TDFs	Volatility Ethical TDFs Post 1999	2017-2019	6.10%	5.98%	6.20%	2.93%	5.63%	5.44%	2029-2031	8.56%	9.31%	9.53%	4.45%	7.32%	7.15%	2038-2040	9.37%	9.55%	9.77%	5.46%	8.32%	8.01%	2047-2049	9.34%	9.64%	n/a	5.46%	8.37%	8.58%
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Investment monitoring

The IC has set the targets for each TDF and monitors their performance using quarterly reports from the Investment Manager.

All the DC funds use underlying index tracking and/or factor funds (with the exception of the Property fund and DGF). In the long-term the performance of the TDFs depends on the asset allocation strategy of the Investment Manager; the self-select funds are designed to match the performance of the underlying index tracking funds (after allowing for fees).

5. Member Charges

We set out in this section the charges met by DC members for the services provided by the Scheme.

<p>Member Charging Approach</p>	<p>An all-inclusive “bundled” Annual Management Charge (AMC) is charged to members and covers the following services:</p> <ul style="list-style-type: none"> • Trustee Governance • Administration • Investment Management services • Communications <p>It is not possible to fully break down the member costs into the component parts, as the underlying charges are calculated in different ways. Also, much of TPT’s expenditure (such as staff) covers both DC and DB arrangements.</p> <p>Employers meet individual scheme setup charges and any additional costs as a result of bespokeing the service JLT provides.</p>
<p>Annual Management Charges</p>	<p>The actual AMCs charged to members vary depending on the investment fund chosen by the member (or the default fund if no choice is made).</p> <p>Whilst the AMCs are shown as an annual equivalent, in practice they are deducted daily from members’ pots via an adjustment in the relevant unit price, so members do not explicitly see a deduction from their account.</p> <p>Default Funds:</p> <ul style="list-style-type: none"> • Target Date Funds (TDFs) – 0.5% • Post 99 Ethical Target Date Funds (ETDFs) – 0.7% <p>Self-Select Funds:</p> <ul style="list-style-type: none"> • Global Equity Fund, Socially Responsible Investment (SRI) Fund, Bond Fund, Index-Linked Gilts Fund, Cash Fund – 0.45% • Property Fund – 1.00% • Diversified Growth Fund – 0.97% • Post ‘99 ETDF - 0.7%. • Pre ‘99 ETDF – 0.5% (lower than Post ‘99 ETDFs as members paid an initial fee on joining – these funds are now closed to new entrants). <p>Information about charges is included on DC websites, member guides, fund fact sheets, on BenPal and on all DC benefit statements.</p> <p>Prior to July 2017, TPT did not quote the platform fee in the AMC. However, in the interests of clarity and transparency the quoted AMC now includes all fixed member charges, including the platform fee. Any variable costs are though excluded (these are described below).</p>
<p>Variable costs</p>	<p>Investment funds incur additional expenses which are charged to the fund, but which are not paid out of the underlying management fee. These typically include custodian fees, legal fees and depository expense. These can vary from</p>

	<p>month to month and between funds.</p> <p>TPT has set an <i>upper expectation</i> on the costs that the investment managers can deduct from these funds as follows:</p> <ul style="list-style-type: none"> • TDF = 0.03% • ETDF = 0.05% • ETDF (pre-99) = 0.075% • TPT Cash Fund = 0.01% <p>These charges are taken from members funds in addition to the AMC.</p>
<p>Transaction costs</p>	<p>Transaction costs are also payable by members in addition to the AMC.</p> <p>Transaction costs are incurred by members when units in the funds are bought or sold. These reflect the transaction costs when underlying securities are bought or sold in response to money entering or leaving the fund.</p> <p>Transaction charges have been an area of focus with fund providers, following an FCA consultation in October 2016 on their suggested approach to use in their calculating i.e. the “Slippage methodology”. This came into force on 3 January 2018 and measures the market value prior to a trade, and the value of the assets once the trade has been made.</p> <p>For the vast majority of DC savers, the biggest “transaction charge” will occur when they trade in or out of a fund. This is due to the underlying funds having a bid-offer spread i.e. the difference between what a fund can be sold and what it can be bought for. These spreads directly impact the price the member pays and could in practice have a bigger impact than Slippage.</p> <p>To identify this level of detail has been a challenge for the industry as a whole and in the period covered by this review we have been unable to fully identify the transaction charges paid by members. However, we have seen considerable progress in this area over recent months and expect to be in a position to include the required information in the Annual Report and Accounts for the year ended 30 September 2018 in order to be fully compliant with the new requirements.</p>
<p>Other member costs</p>	<p>No other member charges are made during the Accumulation Phase, and in particular members are not charged for switching their fund choices.</p> <p>There were no one-off costs charged to members during 2017/18.</p> <p>Members can however, choose to access JLT’s “simplified” or “full” advice service at retirement. This is charged for directly by JLT.</p>

6. Comparison against TPT Comparators

TPT Comparators

The Trustee has considered the member (and employer) services and charges of 7 comparator Master Trusts. These have been chosen based on their size and likely target market:

- Legal and General WorkSave Master Trust
- National Pensions Trust
- NEST
- Now:Pensions
- People's Pension
- Smart Pensions
- Standard Life Master Trust

The information has mainly been collated from publicly available sources, and whilst it hasn't been verified by the providers themselves, has been reviewed by an external consultant.

Scheme Governance and Management

The Trustee believes that the governance and management of the Scheme compares well with the comparator schemes, in particular the extensive management and administrative support provided by TPT and the external 'accreditations' (PQM Ready and Master Trust Assurance Framework).

Member services

The Trustee believes that the services provided to members including member helpline, website and wider communications also compares favourably with the comparators.

The investment default approach is harder to make a judgement on as the underlying membership profiles may differ, but all provide a growth then de-risking approach (using either Target Date Funds or Lifestyle). The Trustee does however believe that Target Date Funds provide significantly more investment flexibility and future-proofing than a Lifestyle approach (which is used by 6 of the 7 comparators).

The range of self-select funds offered to TPT members is less extensive than a number of comparator schemes. However, the extent of member take-up of these wider options is unlikely to be high, and many of the 'additional' funds offered are likely to have been available to satisfy particular transfers-in of schemes being consolidated into the master trust.

Member Charges

The vast majority of TPT members (who use the default TDFs) pay a member charge of 0.50%. Again, this compares favourably with those comparators that have a 'standard' charge (including those that have 'combination' charges, with an AMC and some form of contribution or flat rate charge). It's not possible to make a comparison against those schemes that price each employer individually.

7. Comparison of service against costs

Based on the above the Trustee believes that TPT provides a good range of services both directly to members and employers, and in the day-to-day running and governance of the Scheme. In addition, it believes that this overall framework protects the interests of DC members and ensures that money spent on DC products and services is carefully monitored, appropriate and gives benefit to members.

Furthermore, a comparison of TPT's DC services with those offered by TPT's comparator schemes gives a favourable picture of the offerings.

The Trustee also believes that the performance of these services is appropriately monitored, and the actual performance has been very good.

The Trustee believes that the charges members pay for these services are very reasonable compared with its 'comparators'.

Conclusion

In summary, TPT:

- Has a robust and independent governance structure in place which focuses on improving member outcomes.
- Has retained both its Master Trust Assurance Framework accreditation and PQM Ready status and is confident that its application for Authorisation from the Pensions Regulator will be successful.
- Is exceeding its SLAs in administration and performance objectives for investments.
- Operates a default fund which the Trustee believes is suitable for the majority of its members and which incorporates a well-designed investment glide path to retirement. Over 97% of members contribute to the default arrangement.
- Provides regular member communications and is committed to improving member communications in the future.
- Is continually assessing and reviewing its DC offerings to members and remains committed to understanding member needs.
- Has member charges which are broadly in line with its competitors and well below the 'charges cap'.

Thus, in comparing the services provided to members, their scope and quality and the level of member charges the Trustee believes that TPT's DC products offer members and employers good value for money.

8. Looking forward

The primary purpose of this assessment is to review the value that members have got from the DC Scheme over the reporting period. However, it is important that the findings of the assessment are used to improve outcomes for members in the future, wherever possible. Therefore, we have identified the following areas for action / improvement or ongoing review.

Scheme Governance and Management

- The Trustee has a two-tier governance structure, with a supervisory Trustee Board which appoints and holds to account the Management Board and which, along with the SMT, holds certain delegated authorities. This structure and the way that it works on a day to day basis is kept under review by the Trustee to ensure that decisions are made efficiently and in members' interests.

Administration

- TPT will continue to monitor the administration service offered by JLT to ensure it continues to offer good service to members. There is an ongoing focus on improving member communications and increasing online engagement and self-service, whilst also continuing to make improvements to processes and data quality.
- In 2019 TPT will renegotiate its contract with JLT with a view to continuing to engage their services. After a review in 2018, TPT chose to continue to offer JLT's At Retirement service.
- The Investment Team will continue to monitor investment performance and keep the appropriateness of the main AB TDFs under review. In addition, they will continue to investigate the identification and publishing of transaction costs with the investment managers.

Communications and Member Engagement

- Tools exist for members to understand their options available but further work is always required to highlight the benefits of these to members (new and old) and to encourage use of these services.
- Continual improvements are made to member letters.
- A full review of key member communications will take place in 2019 in order to review their contents and enhance their look and feel. The key communications, which include leaver, transfer and retirement packs, will be reviewed to ensure that the important information TPT is providing to its members is as clear as possible.
- Improvements have been made to the way TPT presents and communicates information on costs and charges but will continue to be reviewed in light of the changes required in publishing transaction costs.
- TPT now has a DC specific communication policy to ensure that all DC communications are of good quality, consistent and are distributed appropriately and timely. This will be reviewed as to how it's working in practice and further refined as necessary.
- TPT will continue to focus on gathering members' email addresses so that it can provide them with secure online accounts to access correspondence and therefore reduce costs of contacting members in the future.