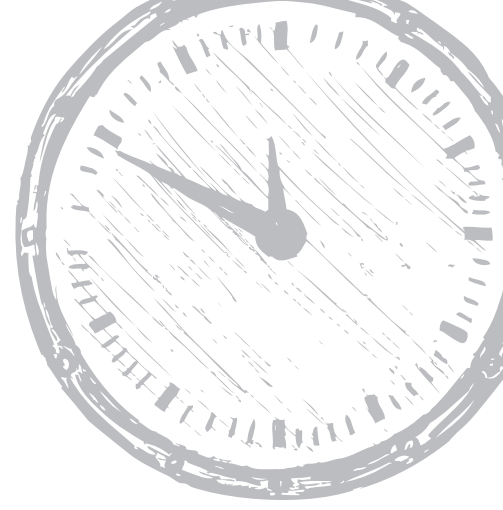


DB Complete

A Master Trust consolidation solution
for DB pension schemes





The management of legacy defined benefit (DB) schemes can take up valuable time and create significant costs for employers. The range of services required to run a scheme, with the need to keep up with legislation and requirements, makes consolidation a desirable solution.

Welcome to DB Complete

£ What's the true cost of running your pension scheme?

Employers will be aware that the funding costs associated with a pension scheme are high, but the costs and efforts of running the Scheme are not always seen together in one place:

- Trustee and governance costs
- Administration costs
- Actuarial service costs
- Investment costs
- Legal fees
- Covenant assessment costs
- Communication with scheme members
- Management time

Employers may not have time to think about the best strategy for a scheme, the most effective investment options or how to reduce costs.

🕒 Time

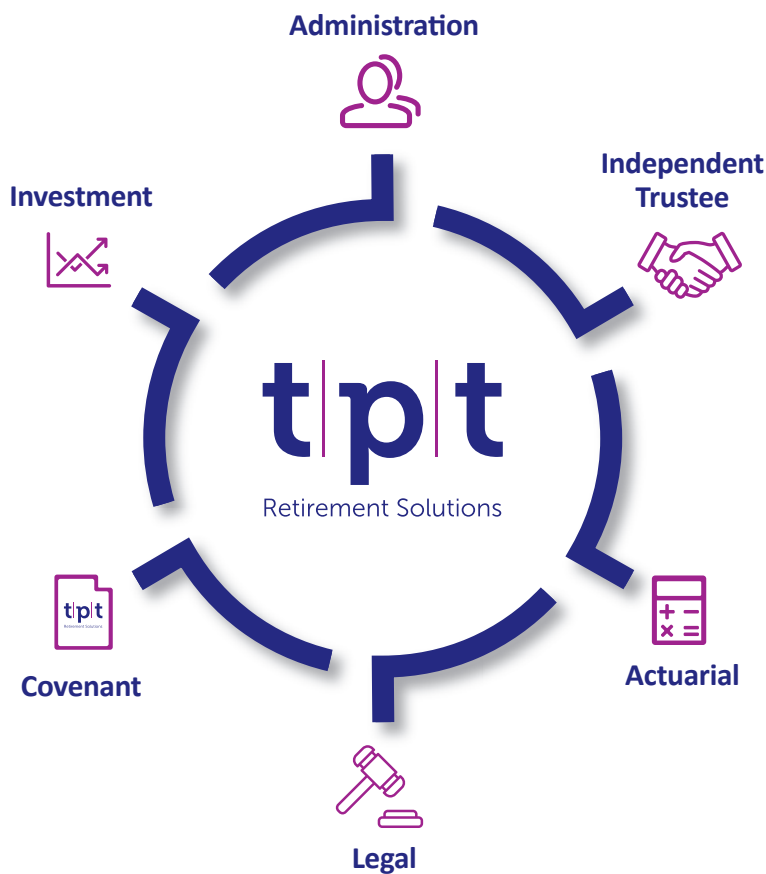
While focused on the day-to-day management of their legacy scheme, employers may not have time to think about other key elements: determining the best strategy for a scheme, choosing the most effective investment options or identifying ways to reduce costs may be neglected. It can also be challenging to encourage members to take up a trustee role, with all the responsibilities this entails.

↑ New legislation

The past few years have seen significant shifts in the pensions landscape. It can be difficult to stay on top of frequent changes such as increased legislation and the cessation of contracting-out. It is, however, a legal duty to do so. The recent White Paper on 'Protecting Defined Benefit Schemes' supports the role of DB Master Trusts as consolidation vehicles, with the benefits of cost savings and improved governance.

DB Complete is our fully bundled package for legacy DB schemes. It is a Master Trust with a comprehensive service package providing everything needed to run an occupational pension scheme.

DB Complete



Lower costs
↓
Less time
↓
Fewer worries



Saving time and money

By combining the trusteeship, administration, actuarial and investment services, scheme accounting, covenant assessment and communications with members under TPT Retirement Solutions, DB Complete saves time, lowers cost and gives peace of mind.



FINALIST

DB Scheme of the Year 2017



Best DB Pension Provider 2018- UK



FINALIST

DB Investment Innovation of the Year 2018



Pensions Administration Award 2018



Pensions Administration Award 2018



Quality service with over 70 years' experience

We have been providing occupational pensions since 1946, and have extensive experience in dealing with DB pensions. Our work has been recognised through many industry awards.



Robust governance

We provide a full Trustee service, where Verity Trustees Ltd is responsible for all aspects of running an occupational pension scheme, such as administration, investment and governance providing peace of mind for employers.



Integrated Risk Management (IRM)

TPT's IRM framework is an important tool to help manage scheme funding, and allows you to better understand the three key risks: the strength of the employer, funding risks and the Scheme's investment strategy. This knowledge, and the awareness of how each risk interacts with the others, can help employers to manage their scheme and avoid any surprises.



Strength in size

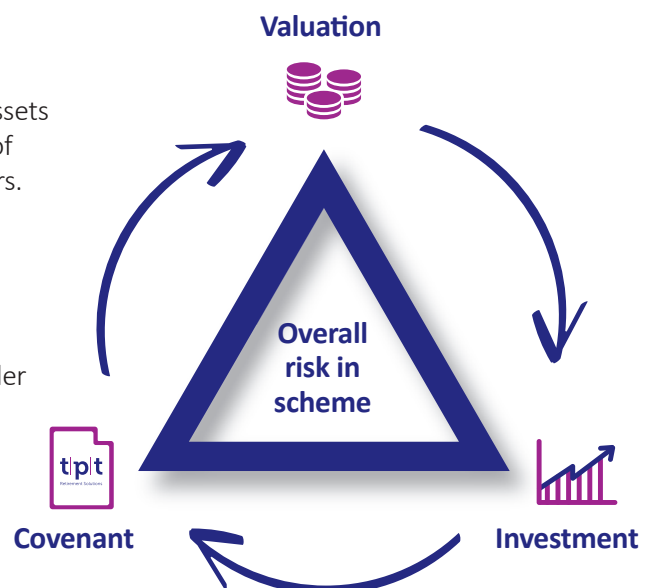
Our combined size and strength, with **c.£10 billion** of assets under management, enables us to achieve economies of scale, and those benefits are passed on to our customers.



Security and peace of mind

While every pension scheme sits under one umbrella trust, each also has a separate section within TPT, in order to ring-fence assets and liabilities.

We work with the professional adviser community on an ongoing basis to ensure we provide the best outcomes for employers and their scheme.





No shareholders

As a not-for-profit organisation with no shareholders, we are run for the benefit of our members. Any profit we make is used to reduce costs or improve benefits and, as such, more than 2,400 organisations and 300,000 members trust us to provide their occupational pension schemes.



Valued relationships

We work with the professional adviser community on an ongoing basis to ensure that we provide the best outcomes for employers and their schemes. This includes accommodating liability management exercises which form part of a scheme's strategic planning e.g. Transfer Value exercises, Pension Increase Exchange, Buy-ins, Buy-outs and winding up exercises.



No exit penalties

We understand that plans for managing legacy DB arrangements can change. If DB Complete is no longer appropriate for your needs, we do not impose exit penalties. (Please be aware that a scheme would still incur professional adviser costs in transferring.)

Over **2,400** organisations and **300,000** members trust us to provide their occupational pension schemes.



Investment



Flexibility and economies of scale

Due to the size of our funds under management, we have the purchasing power to negotiate competitive fees and provide access to a wide range of investments, liability risk management and a dynamic de-risking framework.

We tailor asset allocation to each scheme. To do this, we consider the employer's risk appetite, the membership profile and the covenant strength to make sure that we provide the best option.

DB Complete has two investment options:

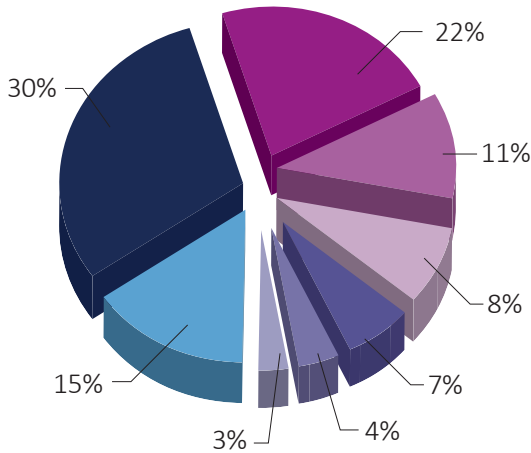
- Dynamic Portfolio
- Simplified Portfolio

Both the Dynamic and Simplified Portfolios offer a fully bundled, comprehensive quality service, covering all that is required to run an occupational pension scheme – with simple and transparent charges – to meet differing needs.

We have the purchasing power to negotiate competitive fees and provide access to a wide range of investments, liability risk management and a dynamic de-risking framework.

Which is best for a scheme?

Dynamic Portfolio



Matching

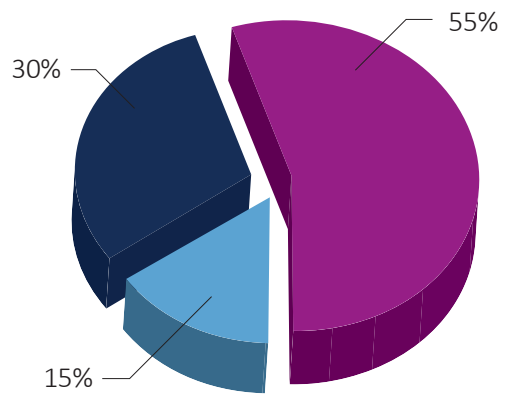
- Gilts / Liability Driven Investments
- Corporate bonds

Growth

- Global equities
- Absolute return/DGF
- Secure Income Fund
- Risk Premia
- Emerging Market Debt
- Property

The **Dynamic Portfolio** is ideal for those wanting a more active, sophisticated and diversified investment approach. This portfolio provides access to a wider range of growth asset classes, including alternative growth investments which help to reduce volatility. For liability focused (matching assets) we use a mixture of corporate bonds, government gilts and liability driven investment solutions to hedge out interest and inflation rate risk. There is a simple, transparent charging structure which includes fund management and investment strategy costs.

Simplified Portfolio



Matching

- Gilts / Liability Driven Investments
- Corporate bonds

Growth

- Passive global equities (market cap)

The **Simplified Portfolio** provides a low cost mainly passive index-tracking investment approach with the same comprehensive range of services as the Dynamic Portfolio. For growth assets, we use a passive Global Equity Fund, whilst retaining the same approach as the Dynamic Portfolio for matching assets.

The above asset allocation uses an example of 55% growth and 45% matching. The allocation will vary from scheme to scheme.

Lower costs

Example charges

Simplified Portfolio example	
Scheme status:	Closed
Size:	300 deferred/pensioners
Assets:	£25 million
Asset allocation:	55% growth, 45% matching

Dynamic portfolio example	
Scheme status:	Closed
Size:	300 deferred/pensioners
Assets:	£25 million
Asset allocation:	55% growth, 45% matching

Includes:	
✓	Trusteeship/governance
✓	Administration
✓	Investment strategy/ management
✓	Fund management charges
✓	Actuarial
✓	Covenant
✓	Legal

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✓	Actuarial
✓	Covenant
✓	Legal

Total cost	£121,500
Costs as % of assets	0.49%

Total cost	£191,000
Costs as % of assets	0.76%

Equivalent cost using other external providers

Simplified Portfolio – £160,000

Dynamic Portfolio – £290,000

Please remember when comparing DB Complete costs that fund management charges (which are a substantial proportion of the total scheme charge) and the triennial actuarial valuation are included.

For reference, if the above scheme (Simplified and Dynamic portfolio) had **50 active** members with **250 deferred/pensioners**, the costs would be as follows:

Total cost	£123,750
Costs as % of assets	0.50%

Total cost	£193,250
Costs as % of assets	0.77%

For further information



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