

## Costs and Charges

TPT has reviewed all of its DC costs and charges as part of our ongoing commitment to;

- providing our members and employers good value for money and
- presenting clear, understandable information about costs and charges

Following this review we have decided to make some changes.

### If you are invested in one of our Target Date Funds

Previously, we showed our Annual Management Charge (AMC) as one charge of **0.45%** and then specified that other charges are payable in addition of up to **0.07%**. We want our charging structure to be as clear as possible, so we have now incorporated all fixed charges into the AMC. Our published AMC for all Target Date Funds will therefore show an increase from **0.45%** to **0.5%**; however the total fixed costs that members pay have not changed.

In addition to our fixed charges (0.5%), each TDF has additional fund expenses which vary according to the fund and from year to year. The fund manager has recently made some changes to our underlying investments and as a result we have seen an increase in these additional expenses. Please be assured that we are keeping these expenses in check and under control. We have increased the upper limit set on these additional fund expenses from **0.02%** to **0.04%**. This has resulted in a total charge of up to **0.54%** (previously this was up to **0.52%**). For many members there has been no **actual** increase in the charges paid. As these additional variable charges change from month to month we are going to publish the **actual** charge applicable to the individual fund on our website each quarter, initially on a table that will be located alongside the fund fact sheets.

Finally, transaction costs in pension schemes have been getting a lot of attention in the press recently due to some ongoing work by regulatory bodies to make investment companies provide clear information to policy holders about these charges. Examples of transaction costs include broker commission, stamp duty and the costs of involved with buying and selling investments. Disclosure of these costs is difficult because the charges vary from fund to fund on a daily basis. TPT are committed to disclosing clear information to our members on transaction costs when clear information becomes available. In the meantime please note that all transaction charges are reflected in the unit price of the fund and be assured that we are doing what we can to ensure that our members are getting good value for money for all investment services.

## Target Date Fund - how much am I paying?

- AMC – **0.5%**
- Additional Fund expenses – up to **0.04%**
- Total charges – up to **0.54%**
- Transaction costs – are also reflected in the unit price of the fund

All cost and charges are monitored on an ongoing basis and formally reviewed at the beginning of the scheme year (1 October).

## If you are invested in Ethical Target Date Funds

Previously we showed our Annual Management Charge (AMC) as one charge of **0.65%** and then specified that other charges are payable in addition of up to **0.07%**. We want our charging structure to be as clear as possible so we have now incorporated all fixed charges into the AMC. Our published AMC for Ethical Target Date Funds will therefore show an increase from **0.65%** to **0.7%**; however the total fixed costs that members pay have not changed.

In addition to our fixed charges (**0.7%**), each TDF has additional fund expenses which vary according to the fund and from year to year. The fund manager has recently made some changes to our underlying investments and as a result we have seen an increase in these additional expenses. Please be assured that we are keeping these expenses in check and under control. We have increased the upper limit set on these additional fund expenses from **0.02%** to **0.05%**. This has resulted in a total charge of up to **0.75%** (previously this was up to **0.72%**). As these additional variable charges change from month to month we are going to publish the **actual** charge applicable to the individual fund on our website each quarter, initially on a table that will be located alongside the fund fact sheets.

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The maximum charge that any member in an Ethical Target Date fund will pay is **0.75%** which is in line with the Department for Work and Pensions' cap on costs and charges for default funds used for auto enrolment, excluding transaction cost.

## Ethical Target Date Fund - how much am I paying?

- AMC – **0.7%**
- Additional Fund expenses – up to **0.05%**
- Total charges – up to **0.75%**
- Transaction costs – are also reflected in the unit price of the fund

All cost and charges are monitored on an ongoing basis and formally reviewed at the beginning of the scheme year (October).

### If you are invested in TPT cash fund

Please note that the Annual Management Charge of **0.44%** in respect of this fund remains the same however members should be aware that additional fund expenses are payable in respect of this fund, up to a maximum of **0.01%** a year. As these additional variable charges change from month to month we are going to publish the **actual** charge applicable to the individual fund on our website each quarter, initially on a table that will be located alongside the fund fact sheets.

Transaction costs in pension schemes have been getting a lot of attention in the press recently due to some ongoing work by regulatory bodies to make investment companies provide clear information to policy holders about these charges. Examples of transaction costs include broker commission, stamp duty and the costs of involved with buying and selling investments. Disclosure of these costs is difficult because the charges vary from fund to fund on a daily basis. TPT are committed to disclosing clear information to our members on transaction costs when clear information becomes available. In the meantime please note that all transaction charges are reflected in the unit price of the fund and be assured that we are doing what we can to ensure that our members are getting good value for money for all investment services.

**If you are invested in: TPT Bond Fund, TPT Global Equity Fund, TPT Index Linked Gilt Fund, TPT Property Fund, TPT Socially Responsible Investment Fund, or TPT Diversified Growth Fund**

Your AMC remains as previously advised, and in line with the table below.

Fund name	AMC	Additional Fund Expenses
TPT Bond Fund	0.45%	0.0%
TPT Global Equity Fund	0.45%	0.0%
TPT Index Linked Gilt Fund	0.45%	0.0%
TPT Property Fund	1%	0.0%
TPT Socially Responsible Investment Fund	0.45%	0.0%
TPT Diversified Growth Fund	0.52%	0.0%

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