

Your defined contribution pension

A look back at the last scheme year

Welcome to your annual defined contribution (DC) update, which contains a snapshot of the things we've been working on over the last scheme year to help you save for retirement.

Our long standing mission is 'making membership worthwhile'. Our aim is to deliver a modern, compelling pension experience – ensuring members have access to the right tools and information, at the right time, to make informed decisions.

We're constantly looking for ways to improve our service to help you get the most from your TPT pension.

As part of last year's improvements, we introduced the ability for members aged 55 and above to access their benefits as a series of lump sums, rather than a single lump sum.

To better support members at important points in their retirement journey, we partnered with national financial advisory firm Origen to offer members access to cost effective financial advice.

We've also continued to enhance the communications and content available to help members better understand their pension and how it works. On our member website we introduced a new ChatBot to make it easier to find information, an interactive video quiz to help members think about the lifestyle they might want in retirement and how much it might cost, plus a new pensions savings tool to help members work out if their savings are on track. We also introduced content to support new joiners and launched an article hub containing topical content on a variety of pension issues.

We've continued to build on our plans as a responsible investor to help drive the transition to a low carbon economy by 2050. And members who make their own investment decisions now have the option to invest in a suite of funds that have been ethically screened.

Many of the improvements we made were shaped by the feedback we gathered from members throughout the year. We were delighted to achieve two significant industry award wins - 'Master Trust Offering of the Year', at the 2022 European Pension Awards, and the Pensions Age 'Administration Award' in 2022.

You can find more details in our full [DC Chair's Statement report](#).

If you have any feedback or questions you would like to ask, [please get in touch with us](#).

Joanna Matthews, Chair of the Trustee Board

A safe pair of hands

TPT is a leading workplace pension provider with more than 75 years' experience of providing pensions and £10.3 billion of assets under management.

TPT is one of 37 DC Master Trusts authorised by the Pensions Regulator.

Each year we're required to submit a report to the TPR to make sure that we continue to meet regulatory ongoing requirements and demonstrate our commitment to providing you with the best possible outcome at retirement.



The winning entry stood out as 'leading in all respects' according to the judges, demonstrating a market-leading, dynamic offering with excellent client testimonials.

TPTs Defined Contribution (DC) pension schemes at a glance



DC members: 312,692*



DC assets: £2.4bn*



Over 30 years' experience managing DC schemes



Sustainable approach to investing

Figures as at the end of the scheme year.
*As at 30 September 2022.

Protecting your money

Your pension scheme is looked after by a corporate trustee called Verity Trustees Ltd. The Trustee oversees all aspects of the scheme including administration, investment, governance and communications.

The Trustee Board is chaired by Joanna Matthews – a professional independent trustee with extensive experience of chairing large and high-profile pension schemes. Members of the Trustee Board, known as Trustee Directors, are appointed through a rigorous selection process to make sure they have the skills, knowledge and experience required to properly manage your pension with TPT. You can find out more about them [here](#).

The Trustee's primary role is to ensure that:

- we invest in ways that meet your needs
- your savings are secure
- you can access your savings when you retire

Making the most of your pensions savings

Your investment options

The money that you and your employer pay into your pension is invested, with the aim of growing a savings pot for your future. Because members join us at all stages of life and may have different priorities, we provide a number of investment options. While every option aims to grow your savings, they do it in different ways.

When you first join us, your savings are invested in a default fund. At TPT the default fund is a Target Date Fund (TDF). On 30 September 2022, over 90% of members were invested in TDFs, which also include Ethical Target Date Funds (ETDFs) as a default option for members.

A TDF does most of the work for you by choosing where your savings are placed and moving them into more cautious investment funds as you get closer to the date that you've told us you want to retire. This fund is a suitable option for many members.

If you want to make a change at any point, you can view your options – including our self-select funds – at members.tpt.org.uk/grow/, and switch funds within your [Retirement Savings Account](#).

Our investment approach

The way we invest your savings is influenced by a wide range of factors. You can see how we think about these factors, including the environment, our impact on society and the level of risk and reward, in our [Statement of investment principles](#) (SIP). We choose to review our SIP every year, but must also do so on a formal basis every three years.

The most suitable funds

We regularly review the way our members' savings are invested to check on how they're performing and to make sure they continue to align with our wider investment plans:

- A typical review looks at the roles and responsibilities of the teams that manage the investments for our members.
- During the last scheme year, the review also considered how current economic circumstances might be affecting members and their TPT pension savings.
- The outcome of the reviews are also used to inform how we manage our default investment strategy, and the last review found that it was still suitable for our members.



Investment performance

When you join the scheme your pension savings are placed in our default investment option. You can stay in this option or choose from a range of self select funds if you wish to be more involved with how your savings are invested or want to invest in line with ethical principles. Our default investment option is a Target Date Fund in which the underlying assets are moved between different investment funds (each with varying costs and performance) as you approach your target retirement age.

The table below shows how the default fund option has performed over the past one, three and five years.

Default investment arrangements

Target Date Fund	Age of member in 2022 (years)	5 years (2017 to 2022)	3 years (2019 to 2022)	1 year (2022)
2041 - 2043 to 2068 - 2073	e.g. age 16 to 46	5.0%	3.9%	-9.8%
2038 - 2040	e.g. age 49	5.0%	3.9%	-9.7%
2035 - 2037	e.g. age 52	4.8%	3.4%	-9.3%
2032 - 2034	e.g. age 55	4.0%	2.3%	-8.3%
2029 - 2031	e.g. age 58	3.3%	1.7%	-7.7%
2026 - 2028	e.g. age 61	2.7%	1.3%	-7.1%
2023 - 2025	e.g. age 64	1.9%	0.6%	-6.3%
2020 - 2022	e.g. age 67	1.4%	0.3%	-6.0%
2017 - 2019	e.g. age 70	1.2%	0.2%	-5.9%
2014 - 2016	e.g. age 73	1.1%	0.2%	-5.9%
2011 - 2013	e.g. age 76	1.1%	0.2%	-5.9%

Please note, we do not have available data beyond 5 years because we have not been required to record this data previously – so performance data is included for 5, 3 and 1 year periods. We have included an illustrative age of member against each Target Date Fund but, for a given member, the actual relevant Target Date Fund will be determined by the member's Target Retirement Age.

In 2022 there was an exceptionally weak market environment that negatively impacted the returns for DC pension savers across the UK. Significant market movements followed Russia's invasion of Ukraine in February, which were exacerbated by an unprecedented repricing of UK bonds, the worst seen for 30 years, after the UK's mini budget in September. Following further market movements in December, both equity and fixed income markets, along with diversifying asset types like property, delivered negative returns for 2022.

We recognise that the investment returns for the year of 2022 will be disappointing to members across all age cohorts. However, we continue to have a high conviction in the investment approach and governance process for our UK Target Date Funds. By offering a highly diversified and pro-actively managed default arrangement that seeks to align with member needs, we believe that we can deliver better outcomes over the long-term. We have seen some recovery in markets so far in 2023, and while significant economic uncertainty remains, we are confident that short term negative returns will revert as the market environment continues to improve.

Investment performance **continued**

Responsible investment

We operate a Responsible Investment Framework and support industry-wide initiatives to promote responsible investment. It's important to us, not only because of its positive impact on the world, but because it plays a role in the behaviour of financial markets and the growth of your savings.

We consider environmental, social and governance (ESG) factors in all of our investment activity. Members also have the option of investing in one of our ethical target date funds (ETDF), which track the FTSE4Good and MSCI Socially Responsible Investment Indices.



Paris Aligned
Investment Initiative

Paris Aligned
Asset Owners Group



What's next?

In Spring 2022 we announced our intention to invest around £75million in sustainable opportunities that aim to generate a positive financial return whilst having a measurable social or environmental benefit or "impact". This is known as impact investment.

Currently, a small proportion of your savings is placed in impact investment funds. For instance, for the vast majority of our members whose savings are in one of our default Target Date Funds (TDFs), we're currently investing 4% of your assets in this way. Our specialist investment team is looking for opportunities to increase the proportion of our default funds invested in impact projects to around 5-10% of the fund. It may take a couple of years to invest the full amount, following a prudent approach.

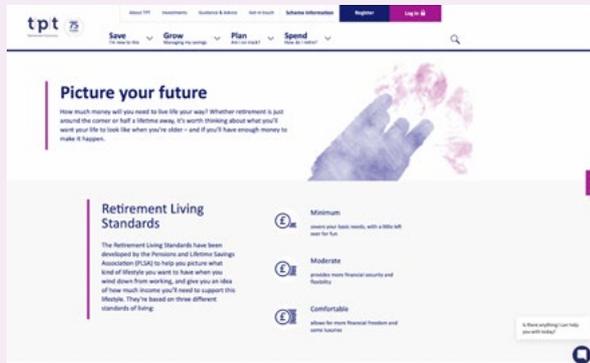
Typical impact investments commit new capital towards the availability of social housing or the building/renewal of solar farms. There are several benefits of impact investing which include good risk management, governance and improving the world we live in, while importantly, still generating a return on investment.



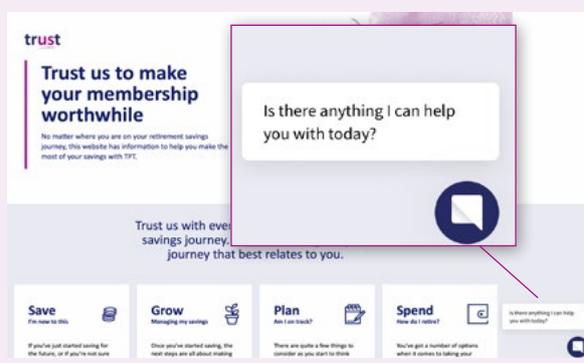
Supporting our members

We want you to get the best from your pension savings when you decide to take them. So we're always looking for new ways to help you make informed decisions about the future. These are some of the initiatives we launched during the last scheme year.

Try out our new, interactive [video quiz](#) to explore the type or retirement you might want to aim for.



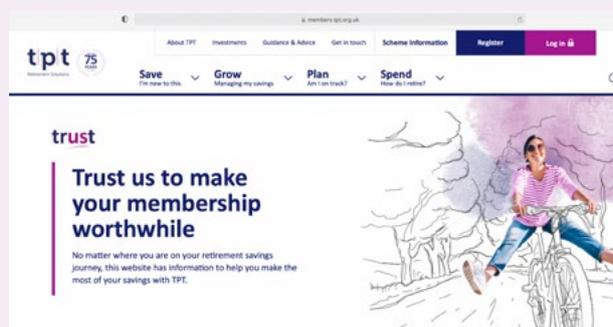
We introduced a new ChatBot to help you find information more easily on our [website](#).



Our new [pension savings tool](#) is designed to help you work out if your pension savings are on track to provide you with the level of income you'll need when you wind down from work or stop working completely. If you're not on track, you can use the tool to see the impact of saving more or changing the date you plan to retire. There's also the option of adding the state pension.



A new article hub containing topical content like the 'pension gender gap' and 'finding lost pensions', provides visitors with another resource to learn about pensions.



Members are increasingly looking for flexibility for how and when they take their benefits. During the year, we introduced the ability for members to access their benefits as a series of lump sums, rather than a single lump sum. To better support members at important points in their retirement journey, we also partnered with national financial advisory firm, Origen Financial Services, to offer members access to cost effective financial advice.



Supporting our members **continued**

Member satisfaction

We're always interested to hear what you think about our service and what we could do better. So we capture your feedback through monthly member surveys and use the outcomes to measure, modify and improve our service to you.

The feedback you provide is shared throughout our business and with our Trustee Board. Our average monthly satisfaction scores, from October 2021 to September 2022, are shown on the right.

Delivering value for money

A small proportion of your pension savings is deducted each year to cover the costs of key services like scheme governance, investment management, administration and communications. This deduction is called the annual management charge (AMC).

Target date fund charges

- TDFs: The AMC is 0.5% a year
- ETFs: The AMC is 0.63% a year

ETDF charges are slightly higher because of the extra screening needed to make sure that they meet certain ethical standards. The only exclusion is members who joined the Ethical Fund before 1999, who pay a lower AMC of 0.53% because they paid a fixed price when they joined.

Self-select charges

The AMC for TPT's self-select options varies from 0.44% to 1%.

An overview of the charges is included on the [fund fact sheets](#).

Knowing who to contact	7.7/10
Staff taking ownership of your request	8.0/10
Staff understanding your requirements	8.2/10
Staff being able to answer your questions	8.0/10
Staff making it clear what is going to happen next	8.1/10
The speed of service	7.3/10
Clarity of the information you received	7.9/10
Being kept informed of anything that affected you	7.6/10

Contact details



Verity House, 6 Canal Wharf, Leeds LS11 5BQ



www.tpt.org.uk



0345 072 6780



@TPTRetirement



Send us a message or request through [Contact TPT](#)



TPT Retirement Solutions