

Your defined contribution pension

A look back at the last scheme year

1 October 2022 – 31 October 2023

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Welcome



Welcome to your annual defined contribution (DC) update. This is a snapshot of what we've been doing to help you save for a better retirement over the last pension scheme year.

Our mission is to make pension schemes perform better for everyone. We want to give you, our members, the service, tools and experience you need to actively engage with your pension and make the most of your pension savings. We're constantly looking for new ways to make your experience more modern and compelling, to help you make informed decisions that pay off when you retire.

This year, our focus has been on future-proofing how we administer your pension scheme and ensuring that the services we offer meet your needs. We've completed a thorough review of the scheme, taking your ongoing feedback into account, and are now working on some significant improvements to your digital experience.

The digital improvements we're making will provide you with easy and convenient ways to manage your pension and understand your retirement options, including a new app and member portal. They'll be made available to you and your employer in 2025.

We've also made improvements to our member guides to help you find the information you need, launched a pensions learning hub and introduced six new self-select funds to give you better access to socially responsible investment options.

If you'd like more detail on anything in this report, please refer to our full [DC Chair's Statement](#). If you have any feedback or questions for us, please get in touch using the details at the end of this update.

Joanna Matthews, Chair of the Trustee Board

Our DC schemes, at a glance



DC members: 338,293*



DC assets: £2.8bn*



30+ years' experience managing DC schemes



Sustainable approach to investing

*Figures as at 30 September 2023

| A safe pair of hands

TPT is a leading workplace pension provider with over 75 years' experience of providing pensions and £9.6 billion of assets under management*.

TPT is one of 34 DC Master Trusts authorised by The Pensions Regulator.

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

“TPT has worked hard across the DC and DB arena to keep its offering up-to-date... and is keen to offer its clients the very best service.”

Judges, Pensions Age Awards 2023



| Protecting your money

A corporate trustee called Verity Trustees Ltd (VTL) looks after your pension scheme.

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

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](#).



| 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, this is a Target Date Fund (TDF). On 30 September 2023, over 90% of members were invested in TDFs (including ethical TDFs (ETDFs))

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 investment options – including our growing range of self-select funds - at members.tpt.org.uk/grow/



| Making the most of your pensions savings continued

Our investment approach

The way we invest your savings is influenced by a wide range of factors. Our Statement of Investment Principles (SIP) outlines how we consider these factors, including the environment, our impact on society, and the level of risk and reward. 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 your savings are invested to check how they're performing and ensure they continue to align with our wider investment plans. A review of the default TDF during the scheme year considered its suitability for members and the increasing need for you to access it flexibly in retirement.

The review concluded that:

- the default TDF remains suitable for members, and AllianceBernstein remains a suitable manager for it;
- the investment costs and charges incurred provide value for money; and
- the investment strategy should allow a higher allocation to growth access, to ease the transition from growing your pension pot to taking your savings in retirement.

Our review also included the investment options we offer to you. Following employer feedback and market research, we agreed that the options need to better support those of you 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 your pension pot as a legacy.

We're working on this and will make the new options available to you in 2025.

Investment performance

When you join our DC scheme, your pension savings are placed in our default investment option – a target date fund (TDF). You can stay in this fund 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 specific ethical goals.

The table opposite shows how the default fund option has performed over the past one, three and five years. You can see the performance of our self-select funds within our [fund factsheets](#).

All of our standard and ethical TDFs delivered growth for members over the year, with the young TDFs performing particularly well due to their higher proportion of equity holdings, as global equity markets, with the exception of Chinese equities, surged over the 12 months to 30 September 2023. However, mid-life and pre-retirement funds saw more limited growth due to their significant investment in longer-dated gilts and inflation-linked gilts, which fell in value due to persistent inflationary pressures and expectations that interest rates will remain higher for longer.

Although all age groups fell below their five-year CPI+ benchmarks, we believe that our diverse portfolio, proactive investment strategy and long-term investment objectives remain aligned with members' needs. We continue to regularly review our default investment strategies to ensure they remain suitable for our members' requirements.

Default investment arrangements

| 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% |

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.

Investment performance continued

Responsible investment

We are committed to being responsible investors, so we operate an RI Framework and support industry-wide initiatives to promote responsible investment. RI is important to us not only because of its positive impact on the world but also because it plays a role in the behaviour of financial markets and the growth of your savings.

Our approach to RI considers a wide range of environmental, social and governance (ESG) factors, including but not limited to, climate change, corporate governance, human rights, bribery and corruption, as well as labour and environmental standards. We also give you the option to invest 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



| Investment performance continued

What's next?

We are committed to achieving net zero emissions by 2050 and aim to decrease the carbon intensity of our portfolio by at least 25% by 2025. In 2023, we updated our Climate Change Policy to integrate the latest best practice and recommendations and include our interim climate targets.

We also reviewed our range of investment options and agreed to introduce six new self-select funds. The funds are designed to give you better access to socially-responsible investment strategies, like low-carbon-emitting or positive-impact investing, that may better reflect your values, financial objectives, and risk preferences.

The default option, which many of our members stay invested in, won't be affected by the new self-select funds. It already has a fully responsible investment approach integrated into the strategy, with 5-10% of each member's pension pot allocated to investments that have a positive social impact over the long term. Our specialist investment team is looking for opportunities to increase this proportion.



Supporting our members

We want you to get the most from your pension savings when you decide to use them. That means providing you with simple, easy-to-access information throughout your journey with us so that you understand your choices and feel prepared for your financial future. We helped you do this by launching the following initiatives during 2022/23.

1

We launched a pensions learning hub that includes a series of short video guides and allows you to sign up to a selection of free, live webinars running throughout the year. Webinar topics include 'mid-life pension planning' and 'make sense of retirement and understand your options'.



Visit the hub

2

We've improved our member guides so that they give you useful information about your pension at your fingertips.

3

We've brought pensions to life, and provided practical information and tips, within a series of articles in our exclusive DC member hub.



Take a look

4

We developed a range of communication tools, like posters and intranet banners, that your employer can share with you to help you make the most of your pension.



Supporting our members continued

Member satisfaction

We're always interested to hear what you think about our service and what we can 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 2022 to September 2023, are shown on the right.

Value for money

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

The Trustee believes that the charges paid by members for the services provided during the last scheme year are reasonable compared with those of similar master trusts.

Target date find (TDF) charges

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

ETDF charges are slightly higher because of the extra screening needed to ensure they meet certain ethical standards. The only exclusion is members who joined the Ethical Fund before 1999, who pay a lower AMC of 0.5% because they paid a fixed price when they joined.

Self-select charges

The AMC for TPT's self-select options varies from 0.3% to 1%. Our fund factsheets include an overview of the charges

| | |
|--|--------|
| Knowing who to contact | 7.2/10 |
| Staff taking ownership of your request | 7.4/10 |
| Staff understanding your requirements | 7.9/10 |
| Staff being able to answer your questions | 7.8/10 |
| Staff making it clear what is going to happen next | 7.8/10 |
| The speed of service | 6.9/10 |
| Clarity of the information you received | 7.6/10 |
| Being kept informed of anything that affected you | 7.1/10 |

| Contact details



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



www.tpt.org.uk



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TPT Retirement Solutions is registered in England and Wales under company number 00744017 and our registered office is at Verity House, 6 Canal Wharf, Leeds, LS11 5BQ

