

Independent Governance Committee

Annual Report

For the year ending 31 December 2024



Contents

03	The Chair's Introduction
05	Costs and Charges
08	Investment Performance
11	Quality of Services - Product Governance
12	Quality of Services - Administration
13	Quality of Services - Asset and Data Security
14	Quality of Services - Online Facilities
15	Quality of Services - Communication
17	Quality of Services - Member Feedback
18	Value for Money Comparisons
21	Member Survey
24	Investment Pathways
25	Environmental, Social and Governance (ESG) Policy
26	Regulatory Developments
27	Future Work
28	Appendix 1 - Background to the IGC
30	Appendix 2 - Glossary

The Chair's Introduction

I am delighted to be delivering the ninth annual report of your True Potential Investments (TPI) Investment Governance Committee (IGC); my third report as Chair. I write to you about the calendar year that has just gone past - the year of 2024. The remit of the IGC is primarily to assess the Value for Money (VFM) that the TPI Auto Enrolment (AE) scheme offers to members of the scheme.

This report contains several abbreviations for the sake of brevity. A Glossary on page 30 is provided to clarify these terms and support your understanding of the content.

2024 was another year dominated by military conflicts and political upheaval which led to significant global uncertainty and high levels of volatility in stock markets. Inflation, borrowing costs and energy prices continued to impact on the cost-of-living but the situation improved as interest rates started to fall, and energy prices stabilised.

During the year the Financial Conduct Authority (FCA) has continued to work on changes to the way in which IGCs assess Value for Money, as part of a joint exercise with The Pensions Regulator (TPR) and the Department for Work and Pensions (DWP). The FCA published the details of the changes that they proposed in consultation paper CP24/16 (see page 26 for more information) and the IGC responded to this consultation in detail, raising a number of concerns. We have yet to have any indication when the changes might be implemented and in the meantime, we have continued to assess Value for Money using the same criteria that we introduced in 2022 when the regulations last changed, which are as follows:

- Costs and Charges
- Investment Performance
- Quality of Services - Product Governance
- Quality of Services - Administration
- Quality of Services - Asset and Data Security
- Quality of Services - Online Facilities
- Quality of Services - Communication
- Quality of Services - Member Feedback

For each area we consider a number of reports or metrics on a quarterly or annual basis and for each one we conclude whether it is:

GREEN: we are satisfied with the metric;

AMBER: we have raised an action or a challenge for TPI and we are happy with the progress made on the implementation of any changes or;

RED: we have raised an action or a challenge for TPI and we consider that TPI needs to make more progress in respect of the implementation of any changes.

The results of our considerations of these areas this year are shown on pages 5 to 17.

The most significant area of change that the FCA intends to introduce is to the process that IGCs must follow when carrying out comparisons against a sample of other schemes and other investment pathway funds. Under the new proposals all schemes will be required to publish a set of data so that other schemes can carry out their comparisons. We consider that the reason for this change is that schemes have had trouble obtaining the necessary data. Until such time as the new requirements are implemented, we are required by the FCA to continue to follow the process introduced in 2022. For this year's report we made requests for data from five schemes and received a data submission from two of them. The results of the comparisons are that **we did not find that the comparator scheme or investment pathway type funds that we reviewed provided better Value for Money overall**. Full details of our analysis can be found in the section entitled Value for Money Comparisons on page 18.

The Chair's Introduction (continued)

As I noted in previous years, the remit of your IGC has been extended to review the Value for Money of the Investment Pathways that TPI provide to members and to other non-advised pension clients. On page 24 you will find a description of Investment Pathways and how they have been implemented by TPI. Generally, within my report, all of the findings apply equally to TPI's AE scheme and to Investment Pathways – any Investment Pathway specific conclusions can be found in that section too.

During the year there have been some significant changes within the management structures of the True Potential (TP) group with an expansion in the number of staff, a restructuring to focus more on TP groupwide activities and a bolstering of governance structures. These changes included the appointment of a new Chief Executive for TPI; Jeff Casson. Jeff met with the IGC and outlined the plans for the TP Group Transformation Programme, explaining that the programme had been created in response to the development of the industry, growth of the company and the evolution of the regulatory landscape, especially Consumer Duty; the programme sought to further develop TP and seek out the opportunities that should arise as a result of the change in the landscape and the consolidation that is expected in future. Jeff outlines the three core strands to the programme: Customer & Value Proposition, Governance Risk & Compliance and Culture & Ambition.

The IGC welcomes the steps that TP are taking to strengthen the business; however, it is noted that these steps have impacted on the management resources available to address the challenges that the IGC raised to TPI previously. Whilst the IGC understands, we have concerns that greater progress is required in some areas and as a result you will see in our report an increased number of metrics that are graded Amber or Red. Nevertheless, having reviewed all of the Value for Money Criteria and the Value for Money Comparisons, the opinion of the IGC is that the overall status is **GREEN** and so the **AE scheme and the Investment Pathways provide Value for Money to members.**

Each year we conduct a survey of members; for this year we were pleased to find that the results of the survey continued to be good. An analysis of the survey results and the actions we and TPI are taking to improve them can be found on page 21.

We have continued to monitor the implementation of TPI's policies and procedures covering Environmental, Social and Governance (ESG) investing. Further details of our ESG reviews can be found on page 25.

During the year Trevor Williamson decided that, it was time for him to step down as a member of the committee. Throughout the many years that Trevor served on the committee, he contributed a significant amount to the development and deliberations of the IGC, especially as his background (being from academia and not financial services) brought a fresh perspective to the group. The IGC would like to thank Trevor for all of his hard work and wish him well in the future. I am delighted to announce that, to replace Trevor, we have appointed Vanda Ferro to the IGC. Vanda brings a different fresh perspective as she is responsible for the management of a several AE schemes, including some that use TPI's services; as such she has great insights into the strengths of TPI and the areas in which further progress can be made. Details of the breadth of Vanda's experience can be found in Appendix 1 on page 28.

I would like to thank all the members of the committee for all their support throughout the year and to TPI who continue to provide first class support to enable us to do our jobs on your behalf. We hope that you find this report useful. If you have any feedback for the IGC on the report or on any aspect of the service that you receive from TPI, please email the committee at: IGC@tpllp.com

Richard Curry
Independent Chair

Costs and Charges

The IGC considers that the most important factor when assessing whether members in the scheme are receiving Value for Money are the cost and charges that they pay to receive the scheme services. The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/Metric	Frequency of review	Status
Costs incurred by members in the workplace scheme (including direct and indirect costs within the funds) for default services in comparison to the regulatory cap and other providers	Annual	Red
Costs incurred by members using Investment Pathways	Annual	Green
Costs incurred by members in the scheme for optional services	Annual	Green

The total annual cost for a typical AE member invested in the main default fund (True Potential Global Managed - "TPGM") as at the end of 2023 was **0.72%**. This charge is below the cap on charges for AE default funds of 0.75%, although this fact, on its own, does not necessarily mean that the scheme is offering Value for Money. The charge is made up of the following components:

- **Ongoing Charges Figure: 0.32%** - this is the main charge levied by the fund manager and covers the actual day-to-day costs of running the fund.
- **Platform Charge: 0.40%** - this is the charge that TPI levies for operating each account, including the custody of the assets, administration and the online service.
- **Transaction Costs: 0.00%** - this is the total cost of transactions within the fund as calculated using a formula determined by the FCA, this year that was 0.00% but in previous years it has been a small cost of around 0.01%.

The average investment value for active members in the scheme at the end of 2024 was £8,863. In pounds and pence, the total cost per annum for a member with the average sized pot invested in the main default fund was **£63.82**.

The following table shows the fund management charge, transaction costs and total charge (including the 0.40% platform charge) for each of the investments available to AE members and investors in Investment Pathways and what the annual cost would be for the average sized investment:

Fund / Portfolio Name	Ongoing Charges Figure %	Transaction Costs %	Total Cost %	Annual Cost £
True Potential Global Managed	0.32%	0.00%	0.72%	£63.82
Legal & General Multi-Index 3	0.31%	0.01%	0.72%	£63.46
Legal & General Multi-Index 4	0.31%	0.01%	0.72%	£63.81
Legal & General Multi-Index 6	0.31%	0.03%	0.74%	£65.23
Legal & General Multi-Index 7	0.31%	0.05%	0.76%	£67.63
TP Defensive Portfolio	0.72%	0.01%	1.13%	£100.51
TP Cautious Portfolio	0.79%	0.02%	1.21%	£107.07
TP Balanced Portfolio	0.79%	0.03%	1.22%	£107.78
TP Growth Portfolio	0.76%	0.02%	1.18%	£104.85
TP Aggressive Portfolio	0.75%	0.02%	1.17%	£103.35

Costs and Charges (continued)

In 2020 we raised a challenge for TPI to provide a roadmap for when the assets under management would have grown sufficiently to allow them to reduce the costs to members of the scheme. TPI responded to say that they would review the costs once the AE proposition holds £750m of assets under management; this milestone was reached in 2023 and the IGC raised a challenge with TPI for them to consider a reduction in the scheme costs.

Unfortunately, because of the focus on the governance restructuring noted above, TPI have been unable to devote sufficient management resource to considering a response to this challenge. While the IGC understands TPI's focus on restructuring, it is concerned that this point needs to be addressed urgently, especially given the proposed VFM comparison detailed in the FCA's consultation paper on a new Value for Money Framework - CP24/16 (see page 26). As a result of these concerns the IGC has changed the status of TPI's Product Governance to Red.

During 2021 TPI launched its Investment Pathways solution and the IGC's remit was extended to look at the VFM of this service (further details can be found in the Investment Pathways section on page 24). In 2022 we challenged TPI to justify why the costs of the Investment Pathway Funds were higher than the costs of the default funds and we rated the metric "Costs incurred by members using Investment Pathways" as Amber last year. During the year TPI introduced lower cost Investment Pathway Funds and the IGC have determined that this metric is now Green.

To allow you to better understand the effect of charges and costs on your investment returns we have included below illustrations of the potential growth in an investment pot before and after charges, for TPGM and all of the other funds available to members. The illustrations are representative examples using typical AE member values of a £1,563 lump sum investment and £78.13/month regular payment invested over a working life of 35 years. The effects of charges on your potential returns are shown in the table. It shows the impact of charges on potential future values.

All the figures we have used are assuming 2.0% inflation to enable you to think of these numbers in today's terms (those future numbers, after the effects of inflation, can give you an idea of what they are worth in today's money). The figures, of course, are only an illustration: not guaranteed, nor minimums or maximums.

At end of year	TPGM		L&G Multi-Index 3		L&G Multi-Index 4		L&G Multi-Index 6		L&G Multi-Index 7	
	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
1	£2,545	£2,530	£2,546	£2,530	£2,546	£2,530	£2,545	£2,530	£2,545	£2,530
2	£3,548	£3,510	£3,550	£3,510	£3,549	£3,510	£3,549	£3,510	£3,548	£3,510
3	£4,558	£4,490	£4,562	£4,490	£4,562	£4,490	£4,560	£4,490	£4,559	£4,490
4	£5,587	£5,480	£5,583	£5,470	£5,582	£5,470	£5,580	£5,470	£5,579	£5,470
5	£6,624	£6,470	£6,623	£6,460	£6,622	£6,460	£6,619	£6,460	£6,617	£6,460
15	£17,750	£16,600	£17,810	£16,600	£17,800	£16,600	£17,780	£16,600	£17,770	£16,600
25	£31,170	£27,800	£31,150	£27,600	£31,220	£27,700	£31,170	£27,700	£31,220	£27,800
35	£47,720	£40,400	£47,700	£40,000	£47,750	£40,100	£47,730	£40,200	£47,740	£40,300

Costs and Charges (continued)

At end of year	TP Portfolio Defensive		TP Portfolio Cautious		TP Portfolio Balanced		TP Portfolio Growth		TP Portfolio Aggressive	
	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
1	£2,551	£2,530	£2,544	£2,520	£2,544	£2,520	£2,543	£2,520	£2,543	£2,520
2	£3,544	£3,490	£3,551	£3,490	£3,552	£3,490	£3,548	£3,490	£3,548	£3,490
3	£4,558	£4,460	£4,561	£4,450	£4,561	£4,450	£4,564	£4,460	£4,564	£4,460
4	£5,583	£5,430	£5,584	£5,410	£5,584	£5,410	£5,583	£5,420	£5,583	£5,420
5	£6,619	£6,400	£6,619	£6,370	£6,620	£6,370	£6,625	£6,390	£6,625	£6,390
15	£17,810	£16,200	£17,820	£16,000	£17,830	£16,000	£17,820	£16,100	£17,820	£16,100
25	£31,180	£26,500	£31,160	£25,900	£31,180	£25,900	£31,180	£26,200	£31,170	£26,200
35	£47,700	£37,700	£47,700	£36,500	£47,700	£36,500	£47,700	£37,100	£47,700	£37,100

Notes:

1. Projected pension pot values are shown in today's terms and have been adjusted for the effects of inflation.
2. The starting pot size is assumed to be £1,563.
3. Inflation is assumed to be 2.0% each year (this rate is determined by the FCA).
4. Inflation that is higher than the assumed rate of growth will reduce what you could buy in the future with the amounts shown.
5. Contributions (£78.13/month) are assumed from age 25 to 60 and increase in line with assumed earnings inflation of 3.0% (this rate is determined by the FCA).
6. Values shown are estimates and are not guaranteed.
7. The projected growth rate for each fund is estimated in accordance with FCA guidance.
8. Source TPI.

The following details the challenges in this area that the IGC has raised or closed during the period, or which have yet to be completed:

Challenge	Status
Consider a reduction in the scheme costs	Ongoing

Investment Performance

A principal obligation of the IGC is to review the principles underpinning TPI's investment policies and practices, and to assess the performance of all funds in which scheme members have invested. The suitability of fund selections and the risk-adjusted return on their investments over time are key components in the Value for Money that members receive.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/Metric	Frequency of review	Status
Performance (in absolute terms and risk adjusted) of each of the funds within the scheme after fees compared to cash returns and industry benchmarks	Quarterly	Green
Details of TPIs ESG, ethical and stewardship policies (or TPI's reasons for not having such policies)	Annual	Green
Details of TPI's implementation of their ESG, ethical and stewardship policies	Annual	Green

The focus of attention of the IGC has been on evaluation of the performance of the fund that members are invested in by default; the True Potential Global Managed Fund (TPGM). As of 31st December 2024, 88% of all members' assets were invested in TPGM. Assets under management in this fund at the end of the reporting period was £1,043m (2023 = £808m).

The gross return on investment in this fund for the year was 9.0% (2023 = 8.5%). After adjusting for inflation of 2.6% (CPI, 2023 = 4.0%) and the platform charge (0.4%) the net real return on the fund was 6.0% (2023 = 4.1%). The IGC is pleased to see the fund make an increased positive return this year and hopes that net real returns will continue to improve as inflation falls in the future. The IGC also recognises that pensions should be regarded as medium to long term investments and that returns will fluctuate from year to year.

True Potential has provided the following commentary on the performance of TPGM:

"In 2024, global equities (as measured by the MSCI World Index) built on the strong performance of 2023, delivering high returns of 19.2% in local currency terms and 21.5% in sterling terms. Multi-asset portfolios also benefited from solid gains in global high yield corporate bonds (+9.2%, local terms), however global sovereign bonds were a modest detractor (Bloomberg Global Sovereign Index, -1% local).

Risk assets continued to benefit from a strong US economy that was underpinned by robust corporate profits, expanding fiscal deficits and a unique productivity impulse. Furthermore, the ongoing enthusiasm for generative AI and other innovations led to outsized gains from US technology stocks, pushing their valuation multiples well above their 20-year average. The global business cycle exhibited reasonably healthy stabilisation trends across geographies, while disinflation trends allowed central banks to ease interest rates.

The Fund benefited from an overweight to equities throughout the year, which was through US equities predominately (S&P 500, +25% local currency), the S&P 500 index saw one of the strongest annual performances over the last 25 years. The Fund's allocation to the S&P 500 Equal-Weight Index was a relative drag on performance as it underperformed the market-cap index by 12% due to its low allocation to Technology stocks.

The Fund also held a modest overweight to UK equities (FTSE All-share +9.4%), which performed well in absolute terms but notably lagged global equity markets. The Banking sector performed exceptionally well given their low starting valuations and significant distribution yields, however the index suffered from its high sector allocation to Energy and Materials.

In the Fund, the overweight to UK Gilts frustrated, with yields higher over the year, particularly for longer-dated maturities. UK Gilts saw a notable sell-off following Labour's Autumn budget, while the ongoing elevated inflation and wage data forced the Bank of England to be somewhat more cautious on the speed at which they lowered interest rates.

Investment Performance (continued)

High Yield corporate bonds, a modest overweight for the fund, performed exceptionally well with Bloomberg Global High Yield bonds delivering +9.2% in the period. The asset class benefited from attractive 'all-in' high yields, improving corporate fundamentals and a benign economic backdrop.

The Fund's only Alternative asset class, Gold, was up 27% due to a combination of excessive central bank buying and strong demand from Chinese investors.

Within currencies, the Pound depreciated by -1.7% against the US dollar, therefore it was not a significant contributor to returns. The Pound strengthened against the Japanese Yen by +9.6%, thereby offsetting some of the strong returns from local Japanese equities (Topix +20.4%, local terms)."

As well as reviewing the performance of the default fund, the IGC also review the performance of the other funds that employers can choose to be the default for their employees and the performance of those funds which are available through Investment Pathways or by direct member selection.

The following table shows the performance of the TPGM and all of the other funds available to AE members and Investors in Investment Pathways:

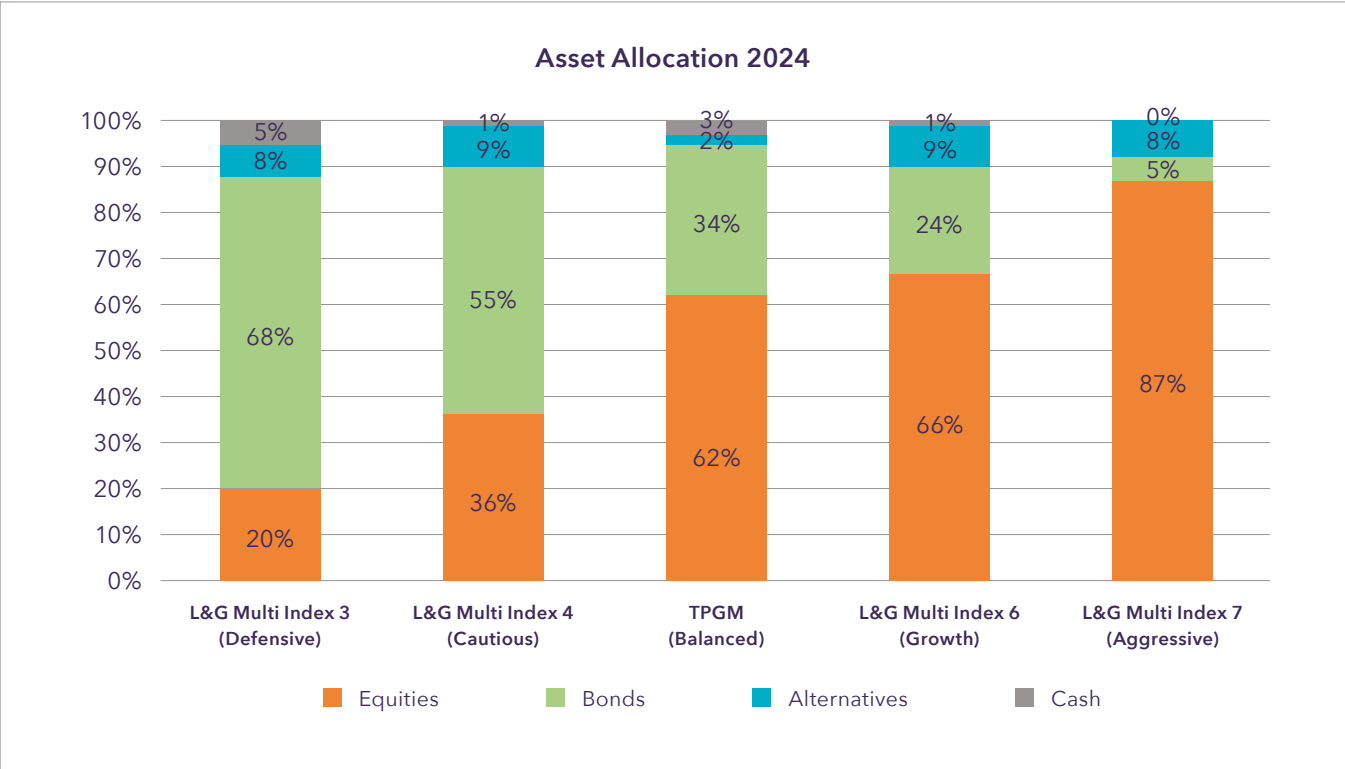
Fund / Portfolio Name	Performance %						
	5 Year	3 Year	2024	2023	2022	2021	2020
True Potential Global Managed	25.6%	8.1%	9.0%	8.5%	-8.6%	9.6%	6.0%
Legal & General Multi-Index 3	6.4%	-2.8%	3.7%	6.2%	-9.8%	3.2%	6.1%
Legal & General Multi-Index 4	13.9%	1.0%	5.4%	7.1%	-9.8%	6.2%	6.2%
Legal & General Multi-Index 6	31.6%	10.0%	9.8%	9.3%	-10.3%	12.4%	6.4%
Legal & General Multi-Index 7	41.3%	14.6%	12.7%	11.0%	-11.2%	14.5%	7.7%
TP Defensive Portfolio	9.7%	3.0%	5.7%	2.3%	-6.4%	2.8%	3.0%
TP Cautious Portfolio	15.0%	4.6%	7.0%	3.1%	-8.4%	6.3%	3.7%
TP Balanced Portfolio	22.5%	6.9%	8.9%	4.4%	-10.5%	9.8%	3.5%
TP Growth Portfolio	40.4%	11.4%	11.1%	5.3%	-11.1%	13.1%	4.1%
TP Aggressive Portfolio	40.4%	14.7%	13.8%	6.2%	-10.7%	15.6%	3.8%

When looking at the performance of a fund, we also consider how the funds have performed after adjusting for the amount of risk inherent in the assets in which the fund invests. We use the volatility of investment returns, as measured by the annualised standard deviation, to assess risk. The annualised standard deviation of returns in TPGM in 2023 was 4.5% (2023 = 7.7%).

The committee's view was that the performance of the main default fund on a risk adjusted basis was in line with the risk adjusted performance of market comparators.

Investment Performance (continued)

The IGC considers that it is very important that members review the fund in which they are invested to ensure the risk level of the fund continues to be suitable for them. The IGC’s view is that the percentage of a fund that is invested in the highest risk assets (Equities) gives a very good indication of the level of risk of a fund. The following chart shows the asset allocation of the five default funds at the end of 2023:



The above chart also shows the risk rating of each of the funds in brackets, and the following explains the types of investors that should be considering funds with each of those risk ratings:

Defensive - The Defensive Investor may be very sensitive to short-term losses. A Defensive Investor’s potential aversion to short-term losses could compel them to sell their investment and hold a zero-risk investment instead if losses occur. A Defensive Investor would possibly accept a lower long-term return in exchange for less frequent changes in portfolio value.

Cautious - The Cautious Investor may be sensitive to short-term losses. A Cautious Investor’s potential aversion to losses could compel them to shift into a more stable investment if significant short-term losses occur. A Cautious Investor is usually willing to accept somewhat lower returns to lower their exposure to risk.

Balanced - The Balanced Investor may be somewhat concerned with short-term losses and may shift to a more stable option in the event of significant losses. The balance of investment risk and return are typically of equal importance to the Balanced Investor.

Growth - The Growth Investor may be willing to accept high risk and chance of loss to achieve higher return on his or her investment. Significant losses over an extended period may prompt the Growth Investor to shift to a less risky Investment.

Aggressive - The Aggressive Investor usually aims to maximise long-term expected returns rather than to minimise possible short-term losses. An Aggressive Investor values high returns relatively more and can tolerate both large and frequent fluctuations through time in portfolio value in exchange for a higher return over the long-term.

Quality of Services – Product Governance

Where funds within the scheme are managed by TPI, they must operate an investment process whereby they review the way that the scheme is invested and make changes as required. Each fund that TPI manages has an investment objective and policy alongside accompanying parameters to corral the type and proportion of assets in which it can invest, and the management of the fund is governed by the FCA Collective Investment Scheme rules.

The IGC check that the Relevant Products are designed, managed and executed in the interests of Investors and that the process of investment is properly governed. TP has formed a Product Governance Committee (PGC) that reviews the design, characteristics, implementation and ongoing lifecycle of all its products and the IGC reviews the PGC reports and provides challenge and guidance where appropriate. The IGC also reviews any breaches of the FCA Collective Investment Scheme rules to see if Members have been materially impacted.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/metric	Frequency of review	Status
TPI's Product Governance Reports on design and characteristics of Relevant Products and the operation and governance of investment processes, including confirmation that default strategies and investment pathways are designed and executed in the interests of Investors and confirmation that default strategies investment pathways have clear statements of aims and objectives	Annual	Red
Details of any breaches of FCA Collective Investment Scheme rules in relation to the scheme	Annual	Green

There is one challenge relating to Product Governance outstanding during the period, which is shown below. Note that this challenge was previously shown under Performance but the IGC's view was that it was more closely associated with Product Governance.

Challenge	Status
TPI to consider offering further default funds and consider allocating members of different ages to different funds.	Ongoing

In 2020 we considered whether TPI should be offering further default funds to members and to consider allocating members of different ages and different crystallised status to different default funds. At the time TPI felt that the scheme was too small and agreed to review again when the AE proposition held £750m in assets under management. This milestone was reached and the IGC raised a challenge with TPI for them to consider the default fund and life styling position.

Due to the focus on the governance restructuring noted above, TPI have been unable to devote sufficient management resource to considering a response to this challenge. While the IGC understands TPI's focus on restructuring, it is concerned that this point needs to be addressed urgently, especially given the proposed VFM comparison detailed in the FCA's consultation paper on a new Value for Money Framework - CP24/16 (see page 26). As a result of these concerns the IGC has changed the status of TPI's Product Governance to Red.

Quality of Services – Administration

In order that the pension contributions of its members can be invested and administered securely and appropriately, TPI must provide a range of effective administrative services. This is a critical part of our criteria in assessing Value for Money; low costs do not necessarily mean good overall service. Delivering a high quality of service at a reasonably low cost is the challenge TPI must meet and the duty of the IGC to appraise.

Each quarter we review a number of reports covering various aspects of TPI administration. Using the dashboard developed for us by TPI we are able to see, by each individual administration team, the number of times that internal performance targets were not met and the number of incidents. We are able to drill down into any area to understand the nature of issues and the steps taken to resolve if required.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/metric	Frequency of review	Status
Initial response rate to calls, emails or secure messages	Quarterly	Green
Timeliness and accuracy of investment of member contributions	Quarterly	Green
Timeliness and accuracy of fund transactions	Quarterly	Green
Timeliness and accuracy of changes to member requirements or personal data	Quarterly	Green
The timeliness and accuracy of investment withdrawals and pension payments	Quarterly	Green
Range of choices available at retirement	Quarterly	Green
Experience and expertise of administration staff	Annual	Green
Any breaches in the regulations of the FCA, HMRC, DWP or TPR in relation to the administration of the scheme	Annual	Green

During the year we received a presentation covering the training regime provided to TPI administration staff (and others involved in the provision of services to members). Training modules are primarily provided by an industry body (CISI) through a training system that enables a schedule of mandatory modules to be delivered to staff on a monthly basis and records the module completion and test results.

The IGC was pleased to see the level of effort that TPI put into the training of staff, given its importance to service quality.

Quality of Services – Asset and Data Security

To provide the pension services of the scheme to members, TPI must securely hold the data, assets and money belonging to the scheme members and ensure that client data is only used for the purposes agreed with clients and that it is not accessed by unauthorised persons.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/metric	Frequency of review	Status
Report on client asset security arrangements	Annual	Green
Report on data security arrangements	Annual	Green
Details of any Data Security breaches in relation to the scheme	Quarterly	Green
Details of any FCA breaches in relation to the scheme	Quarterly	Green

The IGC review on a quarterly basis every potential breach of client asset or data security rules, regardless of whether it directly impacts AE members. In each case we review to see if we believe that further action should be taken to ensure the security of AE members assets and data. The IGC is happy that none of the breaches identified were cause for concern.

The IGC received a presentation from TPI's Head of Client Money and Assets (CASS), on the systems and controls in place to ensure the security of client assets, the results of TPI's external CASS audit and an analysis of all the breaches identified during the year. The number of CASS items in the audit fell year on year by 17% continuing the welcome trend, and only one of the breaches were identified solely by the auditor. The IGC also heard the results of an internal audit covering high risk CASS areas. The IGC was once again pleased with the reduction in the number of breaches and found that the CASS position was satisfactory.

The IGC had a presentation from TPI's Head of Cyber Security on the status of TPI's Data Security and the plans underway to improve it. The IGC reviewed the expansion of the Cyber Security team and the background and experience of the members. The IGC heard about the appointment of a new third-party Security Operations Centre (SOC) to undertake 24/7 monitoring of TPI's systems. The IGC reviewed TPI's plans to consolidate anti-virus providers, enhance password protection and improve network segmentation. The IGC continues to feel that this is an area that requires constant attention to ensure the security of members data and was pleased with the progress that has been made during the year.

In 2020 we challenged TPI to commission an annual third-party review of the controls that they operate, in order that further comfort can be given to the IGC that TPI processes are well designed and have operated as required. TPI considered this challenge and determined that, at that point, they are not looking to commission such a report and that they would revisit this decision once the AUM of the AE scheme reaches £1bn. During 2024 the assets in the AE proposition reached this milestone and the IGC raised a challenge to consider this point. TPI reviewed the position and felt that the range of internal audits (completed by third party auditors) was sufficient to give comfort to the IGC and undertook to provide summaries of all AE relevant reports to the IGC. The IGC has agreed to close this challenge once the first such summary is received.

Quality of Services – Online Facilities

The IGC believes that it is essential that scheme members are easily able to access information about their pension and to make changes to it at a time of their choosing: this is a key service deliverable. The IGC periodically reviews the range of facilities made available to members and monitors how the service offering compares to that offered by other product providers.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/metric	Frequency of review	Status
Range of online facilities made available to members	Annual	Green
Quality of design and ease of use of online facilities	Annual	Green
Details of system availability	Quarterly	Green
Trend of number of unique member logins	Quarterly	Green

During the year, the IGC received a demonstration of the latest version of the client website. The IGC was once again impressed by the developments of the functionality of the site, whilst maintaining the clean design and intuitive user interface.

The IGC monitors the number of times that members access the system on a quarterly basis, both in terms of the absolute number of logins but also the number of unique member logins. The number of logins was steady throughout the year with a slight increase towards the end of the year.

Quality of Services – Communication

The IGC takes a keen interest in the nature and form of communications that TPI send to scheme members and makes available to the wider public. The quality, range and appeal of its communications are important components in its endeavour to serve the needs of its members and to generally promote the value of saving into a pension scheme to enable savers to fulfil their financial and lifestyle goals in retirement.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/metric	Frequency of review	Status
Details of all communications to members by TPI	Quarterly	Green
Assessment of effectiveness of engagement campaigns	Quarterly	Green
Clarity and content of annual benefit statements	Annual	Green
Number of members without current contact details and steps taken to trace them	Annual	Red
Trend of contributions including transfers in and impulse saves	Quarterly	Green

During the year the IGC received a presentation covering the client communications flows, showing all of the communications sent to AE members, their purpose and the timing or trigger for each communication. The IGC was impressed by the scope of the communications and the extent of their automated nature. The IGC raised a number of queries on the communications which were all satisfactorily resolved. The IGC concluded that the communications flow process was comprehensive and well designed.

The IGC also reviews other communications that are made available. These include:

True Insight - A quarterly magazine which includes expert investment commentary and an overview of portfolio allocations and performance. On average this is sent to 1,800 AE members each quarter.

Morning Markets Videos - 185 videos with 143k views on YouTube in 2024. The content includes daily investment updates and analysis of major world events.

The Do More with Your Money Podcast - 52 podcasts with 144k views on YouTube in 2024. The content includes hour long episodes providing money information, conversational discussions and opportunities for clients to engage in Q&A sessions.

The IGC has recorded a podcast that introduces the work of the IGC and gives some tips to members on what they can do to maximise their Value for Money. That podcast is available when all new members login and can be found [here](#).

Quality of Services – Communication (continued)

The IGC is concerned that there are some members who are no longer contactable as their email address is invalid; in such situations the member could lose the connection to their pension. The IGC raised a challenge to TPI to develop a strategy to determine which clients are no longer contactable and take steps to trace them. Last year, TPI agreed a strategy with IGC to monitor the delivery of annual emails sent to all AE Members and to take steps to obtain a valid email address which would ultimately result in a letter being sent to the last known address. As a result of this agreement the IGC agreed to close the challenge but kept the status of the associated metric as Amber until such time as the process is completed. Unfortunately, TPI have been unable to implement the strategy, but they intend to do so imminently. As a result, the IGC has decided to re-open the challenge and change the status of the relevant metric to Red.

Challenge	Status
Develop strategy for determining clients no longer contactable and taking steps to trace them	Open

Quality of Services – Member Feedback

The IGC will continue to make an independent assessment of the quality of service delivered to members and consider the extent to which it may be regarded as good Value for Money. However, a comprehensive assessment cannot be completed without feedback from members. The more we can understand your motivations to engage with the AE scheme and any barriers to engagement, the more we, alongside TPI, can do to serve your interests and evaluate outcomes of any activity we initiate. That is why it is important that we seek, and you provide, feedback on the services that TPI provides.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/metric	Frequency of review	Status
Results of member surveys	Ad-hoc	Green
Details of member complaints	Quarterly	Green
Review of direct feedback to the IGC from members	Quarterly	Green
Feedback from clients transferring out	Quarterly	Red
Trend of opt-outs and transfers out	Quarterly	Green

In 2020 the IGC conducted a survey of members and found that it was very useful; we decided to repeat the process in 2021 and in all subsequent years if feasible. Details of the results of the latest survey of you, the members and the steps that are being taken to respond to your feedback can be found in the Member Survey section on page 21. We have requested that TPI continue to review the individual responses provided and take action where required.

The IGC reviews details of any complaints raised by members to TPI, to determine if these could be representative of an issue which is affecting the Value for Money that members receive. In the event that you would like to make a complaint, or provide any other feedback, directly to the IGC, you can do so by sending an email to us through the IGC mailbox: IGC@tpilp.com

When a member transfers out, we look at any reasons given to see if this is an indication of a lack of Value for Money and we review the trend of number of members that opt out of the scheme or transfer elsewhere, to see if this is an indication of dissatisfaction with the service. Last year the number of members transferring out increased significantly and the percentage of cases where TPI were able to obtain a reason for the transfer out declined significantly. We have asked TPI to take action to restore the level of feedback received back to previous levels and challenged TPI to explain why the number has increased. We have seen some increase in the percentage of cases where TPI is able to obtain a reason for transfer recently and TPI continues to investigate ways of improving the percentage. However, without this information, the IGC cannot be sure that the reason for the increase in transfers out is not due to members feeling that they are not getting Value for Money from the scheme and so we have decided that we must continue to flag this metric as Red.

Challenge	Status
TPI to explain the increase in the number of transfers out	Open

Value for Money Comparisons

In October 2021, the FCA issued new rules covering IGC's assessment of Value for Money (VFM). These introduced a new requirement for the IGC to compare the VFM of a requisite number of reasonably comparable third-party schemes and investment pathway funds (including those which could potentially offer better VFM).

The IGC must use reasonable endeavours to obtain and compare relevant data that we need in order to carry out useful VFM assessments in a manner which is proportionate to the likely member benefits that will result from assessing the data.

The IGC then assess the VFM of the TPI scheme by reference to the Scheme Comparators (to the extent that there is publicly, or readily, available information about the Scheme Comparators) and consider whether any of the Scheme Comparators offer better VFM.

If we find that a Scheme Comparator offers better VFM we must inform TPI and, if we are not happy with their response, consider informing the respective Employers of our findings (if the IGC believe that to do so would give material utility to Employers and/or Members).

The FCA is considering changes to the current rules for comparisons to require all schemes to publish a set of comparison data (see section headed Regulatory Developments on page 26). The IGC believes that these changes are due to the difficulties that schemes have had obtaining appropriate comparison data. As we near the publication date of this report, the FCA have published a consultation paper on proposed changes to the rules; given that the changes will require system developments by many schemes the IGC believe that it is unlikely that the new rules will be introduced before 2025. In the meantime, we are required to continue to comply with the existing rules.

In accordance with our policy, we wrote to five schemes requesting comparison data; of these only two provided a data return; the others either declined to make a return or did not respond. In respect of Investment Pathways, as neither of the respondents provide Investment Pathways we have once again carried out a comparison against the "life styling" funds of the scheme nearest in size to TPI's that provided a return, with similar investment objectives to the Retirement Objectives of Investment Pathways.

The IGC reviewed all of the data received and colour coded them as follows:

	No response received
	TPI is the same as the Comparator
	TPI is worse than the Comparator
	TPI is better than the Comparator

Value for Money Comparisons (continued)

To assess a comparator as offering better VFM than TPI, we would be looking for an assessment that was mostly **RED**. The results of our Scheme Comparator assessments were as follows:

A. Investment Performance	Scheme 1	Scheme 2	Scheme 3	Scheme 4	Scheme 5
Risk adjusted return 1 year					
Risk adjusted return 3 year					
Risk adjusted return 5 year					

B. Charges	Scheme 1	Scheme 2	Scheme 3	Scheme 4	Scheme 5
Annual Employee Cost					
Annual Employer Cost					
Total Annual Cost					

C. Quality of service	Scheme 1	Scheme 2	Scheme 3	Scheme 4	Scheme 5
Number of fund options available					
Tax relief at source?					
Flexi Access Drawdown available?					
Salary sacrifice available?					
Other investment options available?					
Minimum investment other options					
Telephone service hours					
Online portal capabilities					
Rewards Program					
Frequency of Engagement					
Trustpilot rating					
Member Net Promoter Score					
Number of reportable events					
Value of detriment					
Regulator Enforcement					

Both of the comparison schemes had better risk-adjusted returns, but both had higher costs and slightly worse quality of services. In conclusion we determined that:

*Although we found that some schemes were better than TPI in a few respects and could potentially provide better Value for Money for those members for whom only those aspects were important, **there was no scheme that appeared to provide better Value for Money overall.***

Value for Money Comparisons (continued)

The results of our Investment Pathways comparisons using the Life styling funds of the scheme closest in size to TPI's and the Investment Pathway Funds are as follows:

A. Investment Performance	Retirement outcome 1	Retirement outcome 2	Retirement outcome 3	Retirement outcome 4
Risk adjusted return 1 year				
Risk adjusted return 3 year				
Risk adjusted return 5 year				

B. Charges	Retirement outcome 1	Retirement outcome 2	Retirement outcome 3	Retirement outcome 4
Annual Employee Cost				
Annual Employer Cost				
Total Annual Cost				

C. Quality of service	Retirement outcome 1	Retirement outcome 2	Retirement outcome 3	Retirement outcome 4
Number of fund options available				
Tax relief at source?				
Flexi Access Drawdown available?				
Salary sacrifice available?				
Other investment options available?				
Minimum investment other options				
Telephone service hours				
Online portal capabilities				
Rewards Program				
Frequency of Engagement				
Trustpilot rating				
Member Net Promoter Score				
Number of reportable events				
Value of detriment				
Regulator Enforcement				

Most of the comparison funds had better risk-adjusted returns but all had higher costs and slightly worse quality of services. In conclusion we determined that:

*Although we found that the comparison funds were better than TPI in some respects and could potentially provide better Value for Money for those members for whom only those aspects were important, **the alternative funds did not appear to provide better Value for Money overall.***

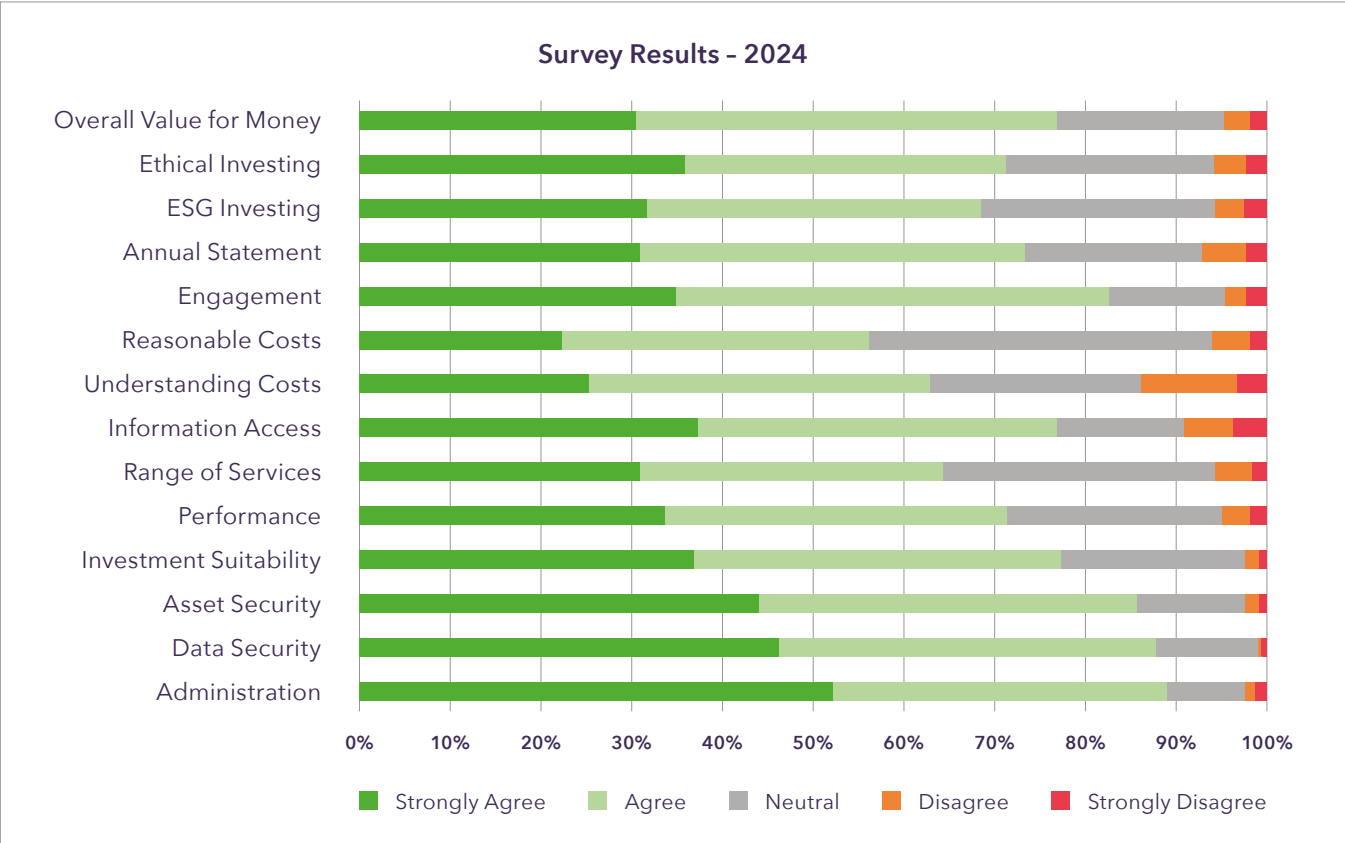
Member Survey

The IGC started to survey the opinion of members in 2020. This year the survey was emailed to all clients and a total of 1,101 complete responses were received, which is significantly lower than last year (3,058). We have asked TPI to consider why the response rate is down and steps that can be taken to improve the response rate in future.

The most important metric that the IGC reviews is the Net Promoter Score (NPS) – this is calculated from the responses to the question “How likely is it that you would recommend True Potential to a friend or colleague on a scale of 0 to 10”. The score is calculated by deducting the number of people who answered 0 to 6 from the number that answered 9 or 10. This year the Net Promoter Score has declined to 17% (2023: 21%, 2022: 14%). The IGC feels that, despite the slight decline, this is still a reasonable outcome.

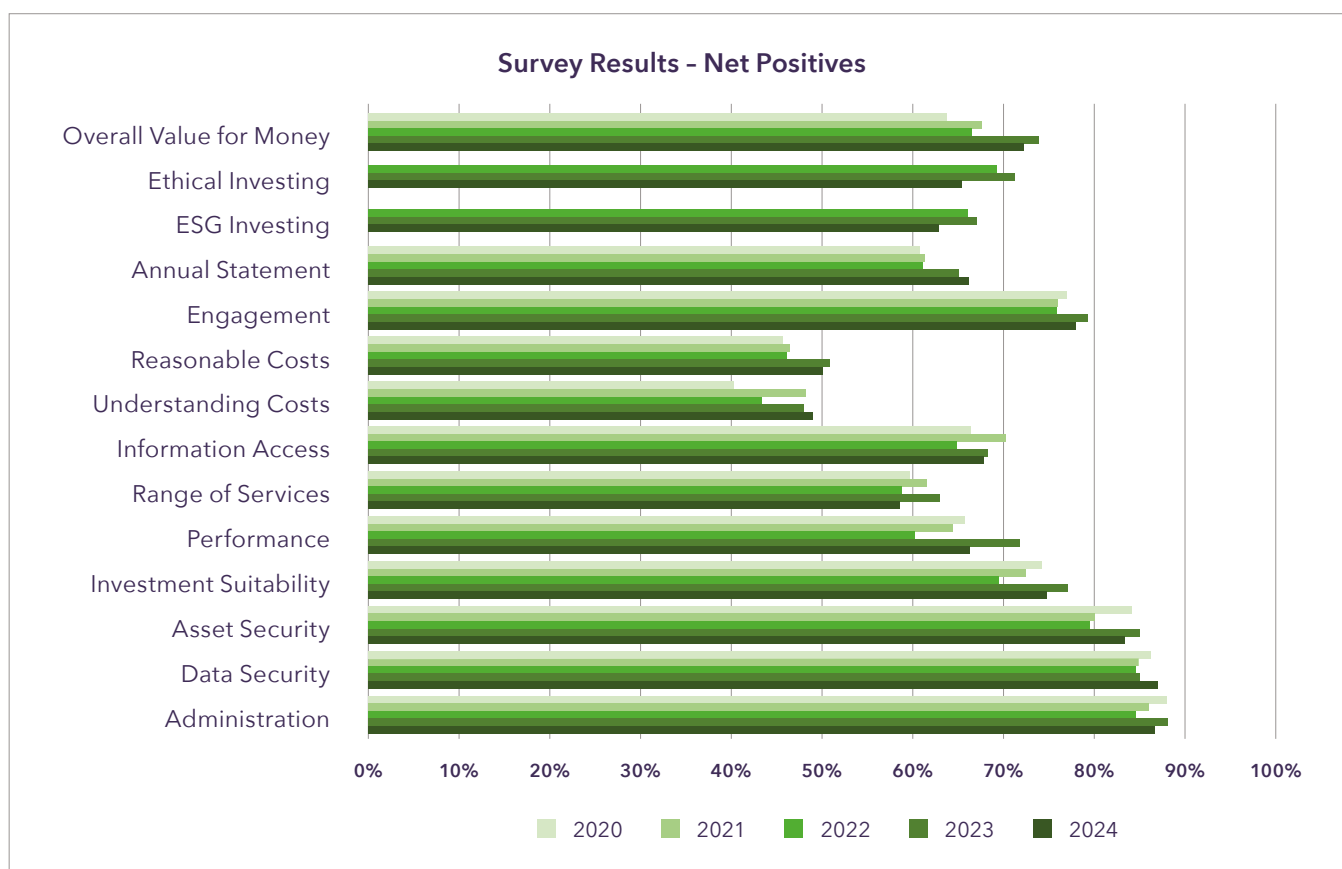
The second most important metric is the response to the question “Taking everything into consideration, I am very happy with the Value for Money I receive on my pension account”. The number of people who agree or strongly agree with this statement was 72% which has decreased slightly since last year but was the same as the year before (2023:77%, 2022:72%). The IGC feels that, despite the slight decline, this result is encouraging to the IGC as it confirms that the view of members on the main area that the IGC is required to assess continues to be aligned to the views of the IGC.

The following chart shows the response in respect of each of the questions.



Member Survey (continued)

The following chart shows how the net positive rate (the percentage of people who agree minus the percentage that disagree) for each category has changed in 2024 compared to 2020-23:



The three areas in which most net positive feedback was received were:

- **Administration (87%)** - "My workplace Pension is handled in a smooth, efficient and professional manner"
- **Data Security (87%)** - "I am confident that True Potential take all reasonable steps to protect the security of my personal data"
- **Asset Security (83%)** - "I have no reason to doubt that my investments are managed effectively and securely"

These three areas were the same ones that we received the most positive feedback in the past two years, with the percentages slightly down from or in line with previous years.

The three areas in which least net positive feedback was received were:

- **Understanding Costs (49%)** - "I understand the costs and charges I pay for my workplace Pension"
- **Reasonable Costs (50%)** - "I believe that the costs and charges I pay are reasonable in relation to the services provided"
- **Range of Services (59%)** - "I am impressed by the range of services available to me online"

These three areas were the same ones that we received least positive feedback last year, with a slight change in the order and a decrease in the percentages.

Member Survey (continued)

Once again, we have asked TPI to review all of the individual responses to determine if any other improvements should be made to their service and to provide a roadmap for the implementation of those changes. These will include:

- Issues with online access security clearance
- Annual benefit statement receipt
- Communications

The IGC is disappointed that TPI did not review the individual responses from the previous survey and has pressed TPI to do so in a timely manner this year.

The IGC recognises the fallibility of conclusions drawn from analysis of these results. Although the feedback is very much in line with previous years, the number of responses has declined and only represent a small percentage of the members. Overall, the feedback from this survey is considered satisfactory and does not indicate any serious misgivings about the quality of service delivered by TPI and the Value for Money received.

Investment Pathways

Investment Pathways are a new service that must be offered to all none-advised FCA regulated pension scheme members who start to draw down on their pension. Investment Pathways are made available to all AE members as well as any other TPI client that goes into drawdown on their pension and does not have their own adviser.

The Investment Pathways service takes a member entering drawdown through a series of guided questions to determine what they want to do with their investments. The outline of the process and the text of the questions must follow rules laid out by the FCA. Initially members have three options to choose from:

1. Remain invested in their existing investments
2. Self-select their own investments
3. Follow Investment Pathways

Those members that chose Investment Pathways then choose which Retirement Objective best aligns to their needs:

1. I have no plans to touch my money in the next five years
2. I plan to use my money to set up a guaranteed income within the next five years
3. I plan to start taking my money as a long-term income within the next five years
4. I plan to take out all my money within the next five years

The provider of the Investment Pathways solution then invests their pension into one of 4 Investment Pathway Funds, depending on the Retirement Objective chosen.

In 2019 the FCA extended the remit of all IGCs to review the Value for Money provided by Investment Pathways as well as AE schemes. TPI launched their Investment Pathways solution in 2021 and since then we have monitored the take-up of the Investment Pathways solution on a quarterly basis.

In 2024, TPI received 44,189 client direct drawdown requests. Of these a total of 4,624 were not advised and therefore eligible for the Investment Pathways process. Of these 17 elected to follow the Investment Pathways route. The following table shows, for each of the Retirement Objectives, which fund TPI has selected to map to that objective and the number of members that selected that option in 2024:

Retirement objective	Investment Pathways Fund	Risk	Members
1	True Potential Global Managed	Balanced	2
2	Legal & General Multi-Index 4 Fund	Cautious	0
3	True Potential Global Managed	Balanced	7
4	Legal & General Multi-Index 3 Fund	Defensive	8

The take-up of Investment Pathways by members has again been very low. This is probably due to the fact that TPI allow customers to remain invested in their chosen fund or portfolio, which is the option that the vast majority of members chose instead of investment pathways.

Overall, the IGC are satisfied with the design and operation of TPI's Investment Pathways solution and found that they provided Value for Money.

Environmental, Social and Governance (ESG) Policy

The FCA require the IGC to assess and report on the quality and adequacy of TPI's policies (or lack thereof) which affect the workplace pension and investment pathway solution products in respect of the following matters:

- Financially material environmental social and governance (ESG) issues
- Non-financial matters (any concerns that the members may have about the impact of their investments that might not be financially material, for example ethical concerns)
- Stewardship (the exercise of rights or engagement activities in relation to the investments attributable to relevant policyholders or pathway investors)
- Other financial matters (anything else that is financially material and would pose a particular and significant risk of financial harm to members)

The FCA have determined that, when assessing policies, the IGC need to consider whether:

- the policy sufficiently characterises the relevant risks or opportunities;
- the policy seeks to appropriately mitigate those risks and take advantage of those opportunities;
- the firm's processes have been designed to properly take into account those risks or opportunities;
- the policy is appropriate in the context of the expected duration of the investment; and
- the policy is appropriate in the context of the main characteristics of the actual or expected relevant policyholders or pathway investors.

The IGC reviewed the final version of TPI's sustainability policy (which covers ESG investing) in 2021 and reviewed an update of the policy in 2024. In summary, TPI's policy is to use an assessment framework to rate the level of ESG compliance of each of fund managers and their individual funds. When making an investment decision, the ESG ranking will be considered only if funds meet all of TPI's investment selection criteria and are otherwise equal to other available funds. TPI will only seek to mitigate ESG risks and take ESG opportunities if it is confident that by doing so it will improve investment returns to members.

The IGC noted that TPI generally use index tracking investments to reduce the costs to members and the FCA have acknowledged that the scope to deploy ESG investment strategies is much more limited than when directly investing in companies. The FCA have indicated that in such cases the fund manager may still choose to engage in stewardship activities e.g., through exercise of voting rights or engaging directly with companies that make up the index. The IGC noted that the TPI policy was strong in respect of the use of stewardship and voting rights through its fund managers.

Arguably the most important element of ESG at present is the Environmental impact of Climate Change. The Task Force for Climate-related Financial Disclosures (TCFD) has issued requirements for all fund providers such as TPI to calculate and publish various climate related metrics in respect of the funds that they manage. The IGC has been following the work that TPI has been undertaking to meet its TCFD requirements and has reviews its calculations for the GMF on an annual basis. The IGC has also reviewed TCFD data provided by the fund manager of the other default funds. The calculations of climate impact depend significantly on the level of data coverage for the underlying investments; at present this is around 50% and the IGC feels that this level introduces too much uncertainty to make any interpretation of the calculated figures reliable. The IGC may publish details of the TCFD metrics that it monitors in future reports if it feels that the level of coverage is sufficiently high and the data will be useful to members.

In 2024, the IGC has continue to review TPI's implementation of its sustainability policy. It has reviewed the ESG assessment framework and has reviewed detailed reporting on the implementation of policy in respect of all investment decisions made during the year. The IGC's conclusion is that, in 2024, TPI's sustainability policy was appropriately implemented.

Regulatory Developments

CP24/16 Value for Money: A framework on metrics, standards and disclosures.

In 2023 the FCA issued a consultation paper (CP23/4) which proposed further changes to the way that IGCs assess Value for Money. This development is being made in conjunction with the Department for Work and Pensions (DWP) and The Pensions Regulator (TPR) and would apply to all auto enrolment schemes, not just those regulated by the FCA.

Your IGC broadly welcomes the proposed changes. The new rules require all providers to publish data required by IGCs to make Value for Money comparisons; you will note from our current VFM comparison on page 18 that we have had difficulty acquiring that data from providers. We are also pleased that many of the proposals are in line with the VFM framework that the IGC has already developed. We are concerned, however that the more prescriptive approach focussing on a more limited set of criteria could reduce the quality of the assessments we make.

The FCA has published a feedback statement (FS23/3) detailing the outcome of the consultation, which is that the FCA, DWP and TPR will proceed with their proposals broadly as outlined while making them slightly less onerous, in response to industry feedback.

In 2024 the FCA issued a further consultation paper (CP24/16) which detailed the rules that they propose to implement. The IGC had several concerns with the drafting of these new rules and feels that they could be inappropriate for schemes with smaller employers such as the TPI scheme. The IGC has submitted a detailed response to every question raised in the consultation, indicating where we disagreed with the FCA's proposals. As yet, we have not received any response to our submission and the FCA has not published anything in response to the consultation. At the time of writing, the government has outlined the Pensions Bill 2025 which proposes large scale changes to the Pensions industry. It appears that the new VFM framework may be included in the scope of the bill, in which case we would not expect the FCA to publish anything until the bill receives royal assent, which is expected in 2026.

Pension Dashboard.

In 2022 the FCA consulted on a new framework that would require all pensions providers to supply data to providers of Pension Dashboards. The Pension Dashboards would enable consumers to quickly find all of the pensions that they had, reducing the risk that people become disconnected from their pensions.

The rules were intended to be implemented in phases, starting in August 2023. In May 2023, the FCA announced a delay to the implementation due to the extent of the systems developments required and in June 2023 the FCA confirmed that Pension Dashboard will not be fully operational until October 2026.

The government has confirmed its commitment to the Pensions Dashboard, and it appears that the system is on track to go live on 31st October 2026. TPI has a project underway to implement their connection to the dashboard using a third party Integrated Service Provider; this project is also on track to meet the deadline.

Future Work

Over the coming year the IGC expects to undertake the following work, in addition to the routine assessments of Value for Money and monitoring TPI's responses to the challenges we have raised:

- Review the progress of the Pensions Bill 2025 and analyse the potential impacts on the AE scheme
- Review any policy statement issued by the FCA in response to CP24/16
- Continue to monitor TPI's implementation of their Sustainability Policy covering ESG matters
- Monitor TPI's project to implement the Pension Dashboard
- Raise further challenges as and when required

Appendix 1 – Background to the IGC

The IGC consists of five members and meets at least quarterly to review the operation of the scheme and the investment pathways. Having considered the FCA's guidance on the assessment of independence, three of the members of the IGC are considered by them and by the IGC to be Independent of TPI; John Reynolds, Richard Curry (Chair) and Vanda Ferro.



John Reynolds (Independent Member)

John Reynolds has over 25 years' experience as a pension practitioner, providing expert pension advice, consultancy and training into specialist advisory businesses across the UK.

He currently holds fellowship with the PFS, is a Chartered Financial Planner and is a Chartered Fellow of the Institute of Securities and Investments. In 2017 he completed his MSc in Financial Planning and Business Management at Manchester Metropolitan University (MMU).



Richard Curry (Independent Chair)

Richard has over 30 years of experience in the investment management industry in a variety of senior management roles at large UK financial firms. Initially Richard worked as a computer programmer in the nuclear power industry before transferring those skills to the financial sector.

During his career he has held the positions of Head of Development, Head of IT, Director of Operations and finally Chief Operating Officer; a role that he performed for 15 years before entering semi-retirement in 2018. As part of his last role Richard was responsible for the implementation, operation and governance of a pension scheme with over £300m of client assets. Richard now works part-time as a consultant and independent governance committee member.



Vanda Ferro (Independent Member)

Vanda has more than 30 years of experience in customer service, retail, and banking. Her career includes positions focused on operational management and financial administration. She worked as a manager for five years, with responsibilities in HR (including recruitment), logistics, and merchandising. She also spent 16 years as a Bank Clerk, where she handled customer service, financial reporting, and accounting tasks such as payroll and bank reconciliation.

Most recently, as an Auto-Enrolment Pension Specialist and Administrator, Vanda has set up and managed over 120 pension schemes.

Appendix 1 – Background to the IGC (continued)



Brian Shearing (TPI Nominated Member)

Brian Shearing has devoted his entire career to financial services. For over 30 years Brian has worked as a management consultant providing his expertise to pensions, investment and platforms.

In addition to a degree in mathematics and statistics he holds fellowships with the Chartered Insurance Institute (he is a chartered insurance practitioner), the Pensions Management Institute and the Institute of Directors. Brian is a member of the Pensions Policy Institute and the Association of Professional Compliance Consultants.



Sean Montgomery (TPI Nominated Member)

Sean has worked at True Potential since 2011, becoming Operations Manager in 2017 and then joining the Compliance team in 2020. Sean has been a key influence on various projects and brings with him a wealth of knowledge of the internal workings of the TPI organisation.

Appendix 2 - Glossary

Term	Meaning
AE	Auto-enrolment
AUM	Assets under Management
CASS	FCA Client Assets Rulebook
COBS	FCA Conduct of Business Rulebook
ESG	Environmental, Social and Governance
DWP	Department for Work & Pensions
FCA	Financial Conduct Authority
HMRC	HM Revenue & Customs
IGC	Independent Governance Committee
NPR	Net Promoter Rate
TCFD	Task force for Climate-related Financial Disclosure
TPI	True Potential Investments LLP, the provider and operator of the True Potential Pension Scheme
TPGM	True Potential Global Managed, the main default fund of the TPI AE scheme
TPR	The Pensions Regulator
VFM	Value for Money



True Potential Investor is a trading name of True Potential Investments LLP, which is authorised and regulated by the Financial Conduct Authority, FRN 527444. www.fca.org.uk. Registered in England and Wales as a Limited Liability Partnership No. OC356027.

Head Office: Gateway West, Newburn Riverside, Newcastle upon Tyne, NE15 8NX

T: 0800 046 8007 E: support@tpinvestor.com W: tpinvestor.com

September 2025