



The Options Workplace Pension Trust Chairman's Annual Statement

FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021



PART OF



GROUP PLC

The Options Workplace Pension Trust Chairman's Annual Statement

FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

A message from the Chairman

Here is our latest statement that I hope gives you an insight as to how the Trustee Board is striving to improve your pension scheme, by consistently working with your provider Options Corporate Pensions UK Ltd to enhance the benefits offered to you.

As we all know the last 12 months have been difficult for everyone in the UK but this has not meant we have not been able to bring improvements. Detailed in this statement are the changes we have made to both the default funds you are invested in if you don't make a personal choice, and the additional range of funds you can choose from.

Options Corporate Pensions UK Ltd have invested heavily in a new administration system that will deliver long term benefits for yourselves and your employers and is consistent with the Government's desire to provide a "dashboard" so it is easier to keep track of and manage your pension savings.

We have also been working with the people who manage your money to both understand their charges and transaction costs and deliver savings wherever possible.

We have to include a lot of detail as this is prescribed by the Pensions Regulator but nevertheless do please find out more about how we look after your money and do let us know if we can improve the way we report this to you in any way.



Anthony Filbin

Anthony Filbin
Chair of Trustee Board

The Options Workplace Pension Trust Chairman's Annual Statement

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Introduction

This statement has been prepared by the trustees of the Options Workplace Pension Trust ("the Scheme") in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended) (the "Regulations"). It describes how the trustees have met the statutory governance standards in relation to the following requirements during the year ended 31 March 2021:

- Default arrangements
- Processing financial transactions
- Charges and transaction costs
- Value for members
- Trustee knowledge and understanding
- Non-affiliation of trustees and member representation

Ongoing Master Trust Supervision:

The scheme achieved Master Trust Authorisation on 25 September 2019.

Following authorisation the Master Trust must continue meet the five authorisation criteria set by the Pensions Regulator, which are:

- Demonstrating the people running their scheme are fit and proper
- The Master Trust is financially sustainable
- The funder of the scheme can support it
- The Master Trust has adequate systems and processes in place
- A continuity Strategy has been prepared

The Pensions Regulator will monitor the operation of the Master Trust going forwards to ensure it continues to meet the required standards. The Options Workplace Pension Trust's first Supervision return was due for the year ending 31 March 2021 and this has been submitted to the Regulator by the required deadline of 30 June.

The OWPT Trustee board has continued to work closely with the Regulator to ensure the Trust is understanding and meeting requirements under the supervisory regime, particularly with regard to our response managing the scheme during the COVID-19 pandemic.

Default arrangements

No review of the default arrangements was performed during the scheme year. A full review of the default funds was undertaken during the period 1 April 2019 to 31 March 2020, the details of which were reported in the Chairs Statement for the year ending 31 March 2020.

The previous review resulted in the decision to remove and consolidate a number of smaller advised default funds. The consolidations were carried out in Q3 2020, with the funds moving to the appropriate AllianceBernstein Target Dated Fund.

The default arrangements are monitored on an ongoing basis by our Investment Advisor, with quarterly reports provided to the Trustees. A detailed member analysis for the default investment range was delayed beyond the scheme year which has now been completed. The investment advisor has confirmed that the default investment range for each section of the Trust remains appropriate for the member profiles of each section, and there is no immediate requirement to review the default investment range.

There was one addition to the default arrangements during the year ending 31 March 2021, which is detailed below.

Options and the Trustees have partnered with Wahed Invest to offer a new and greater range of Sharia investment options for our Islamic Pension Section. The default proposition is a Sharia Growth Plus fund, that provides for a lifestyle glidepath which utilises three separate portfolios starting 20 years from retirement. In addition to these three funds there are a further four funds, all of which can be utilised as self-select funds, by Islamic Section members. Some of these funds will be made available to other section members as part of our planned self-select range commencing in Q4 2021. All Wahed Invest Sharia funds are priced at 0.50%. Agreement has been given by the Trustees, following consultation with the scheme's Sharia Adviser, to transfer the existing Islamic section members to the new Wahed Invest default funds in Q4 2021.

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Default arrangements (Continued)

Self-select range

During the period, the Trustees asked their Investment Adviser for recommendations on developing a Self-Select Range of funds. A proposal has been put to the Board and the Strategist with a view to going live in Q1 2022. Our move to a new administration system in March 2021 has provided greater opportunity to introduce a self-select range and allow members, across all sections, to choose self-select funds on a straight through processing basis via their member portal.

A copy of the latest Statement of Investment Principles dated September 2020 covering the scheme's default funds is attached. The previous version dated September 2019 incorporated the Trustees' ESG policy, and this has been further updated following the 2020 default investment review and to incorporate the Trustees' Stewardship and Asset Manager policies. This has been prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005. A copy has been uploaded to our website at <https://www.optionspensions.co.uk/workplace-pension-master-trust-trustees>.

Processing core financial transactions

We are required to make sure that core financial transactions in the scheme are processed promptly and accurately under regulation 24 of the Regulations.

What are core financial transactions?

Core financial transactions include (but are not limited to) the investment of contributions, transfers of members' assets to or from the Scheme, switches between investment funds in the scheme and payments out of the Scheme to members or their beneficiaries.

Options Corporate Pensions UK Limited are the appointed Scheme administrator and carry out the processing of core financial transactions on our behalf. The requirements of regulation 24 of the Regulations have been met and core financial transactions have been processed promptly and accurately as follows:

The administrator processes core financial transactions in accordance with Service Level Agreements (SLAs) set out in the Administration Agreement. The administrator monitors these transactions through work logs and a master contribution schedule. Processes adopted by the administrator include:

- daily monitoring of bank accounts to identify monies received
- a dedicated contribution processing team
- checking of investment and banking transactions by two individuals

The SLA's applicable to core financial transactions are as follows:

- Processing contributions - 5 days in total (2 days for reconciliation from receipt of both contribution payment and schedule, plus 3 days for investment of contribution). Investment and receipt of contract notes can take between 5 -10 days depending on investment manager.
- Payment of Transfers out - 5 days to disinvest funds following receipt of signed discharge form, plus 2 days to issue funds to receiving scheme following receipt of disinvested funds.
- Investment of Transfer-in funds - within 5 days of receipt of funds and all necessary paperwork.

During the year a new pension administration system was implemented that provided for enhancements to the contribution process - this went live on 1 March 2021. Employers are now able to upload their contribution schedules through a secure portal attached to the administration system, that provides verification of data, prior to collecting the contributions via Direct Debit for those clients who have migrated to this method. Manual payment of contributions can still be made following the upload of schedules for clients not yet migrated to Direct Debit. Investment instructions are performed via a straight through process.

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Processing core financial transactions (Continued)

The Trustee receives and reviews quarterly administration updates to aid with monitoring of SLAs, and can request that action is taken to improve performance if that is required. The Trustees expect to see an SLA success rate of at least 95% for processing contributions. Where SLAs fall below this figure for any quarter the Trustees are provided with details within the quarterly management reports, and are notified of any cases sent for redress, as noted below. The Trustees have been provided with a demonstration of the administration system to enable them to understand the administration processes.

Any late investments or administration errors are reviewed to identify any material loss to members and where required, redress is applied to ensure that members have not been disadvantaged financially.

The administration processes are constantly reviewed to ensure they are robust, particularly as the Scheme grows.

The implementation of the new administration system required a blackout period for processing transactions to ensure complete and up to date data could be transferred between the old and new systems. A backlog of transactions was dealt with throughout March 2021 as a result of the blackout. As at the year-end there were still some transactions to resolve due to unforeseen system errors, which required intervention from the system provider. Any clients that suffered delays in processing backlog transactions beyond March will be reviewed to see if financial redress is due. The migration and resolution of resulting problems took longer than expected, which was in some way due to data quality issues following the upload of data to the eConnect system by employers. At the time of writing we are now close to a business as usual environment, and despite the migration issues encountered, the Trustees firmly believe that the new administration system will deliver improved processes and value to members going forward.

The procedures carried out by the administrator are checked each year by an independent firm of auditors, including those relating to core financial transactions, to ensure these are properly carried out. Their findings are included in our Master Trust Assurance report (AAF 02/07) and details of how a copy can be obtained is found on our website: <https://www.optionspensions.co.uk/workplace-pension-master-trust-trustees>. At the time of writing the Trustees are undertaking the new AAF 05/20 audit for the 15 month period to March 2021, which will be made available on the website following completion.

We are satisfied that the administrator has systems that are robust and capable of processing core financial transactions promptly and accurately in accordance with the agreed administration service levels and the requirements of the law. We are satisfied that the core financial transactions were processed promptly and accurately during the year, and for those few cases where errors or delays occurred, due to the fault of the administrator, any material losses were investigated and made good if required. The Trustees do note however that as a result of the change to the new administration system in March 2021 there were significant administration difficulties which were still ongoing as at the end of the reporting period and that these have been/or were being addressed in the early weeks of the new financial year. As a consequence, the SLAs for the last month (March) were impacted and subsequent specific discussions between the Administrator and Trustees have taken place on the actions required to return to the administration levels expected.

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Charges, transaction costs and value for money assessment

The level of charges and transaction costs* applicable to the default funds (our main AllianceBernstein default plus other section defaults) during the period are in the range of 0.45% to 0.50% of Assets under Administration plus an administration fee of £18 p.a. per member, and are in accordance with the Charge Cap requirements for default funds.

** Transaction costs are the costs that result from the trading necessary to invest the assets paid into a pension scheme and can include commission paid to brokers, bank transaction charges and stamp duty paid when a fund manager uses a pension pot to buy or sell shares.*

A basis point is a unit of measurement used to quantify the change between two percentages – it can also be referred to as 'bp'. A basis point is equal to one hundredth of one percent, or 0.01%, therefore 10 basis points means 0.10%.

The range of the levels of charges and transaction costs applicable to the Scheme's other investment funds during the Scheme year are:

- Assets under Administration fee: 0.50% to 2.14%
- Administration Fee: £18 per annum per member

The trustees have sought information about transaction costs from the investment managers, through either direct requests or through the Investment Manager websites. Information was available from most fund managers, with only a few unable to provide specific transaction cost figures. Details for the various section default funds are noted below:

- For the main default option, the target dated funds managed by Alliance Bernstein, the manager provided data about the costs of buying and selling units in their fund when monies are invested or disinvested or the fund rebalanced. Transaction costs shown are additional fund expenses payable to third-party fund managers in relation to expenses incurred by those underlying funds such as custodian fees, audit fees, depository/trust fees and legal fees. These expenses are dependent upon the underlying asset allocation of the AB Retirement Strategies Funds at any given time. Total transaction costs range between 1bps and 3bps depending on portfolio.
- Quilter Cheviot confirmed the net performance figures published include all explicit and implicit charges.
- AEGON BlackRock default funds for the Amber Section: Transaction costs for the majority of the DC Lifepath funds were in the range of 1 to 14 basis points. AEGON have advised these are variable and in some instances the transaction costs can be negative.
- TAM Balanced Fund Default: TAM confirmed all costs include all explicit and implicit charges are included within the Annual Management Cost charged.
- Islamic Section Default: HSBC confirmed there were no transaction costs associated with the YC share class for the Global Equity Index Fund.

The Trustee will continue to request this information each year.

A table of member borne charges and transaction cost information is provided in Appendix 1. No further fees are deducted from members funds outside of these charges.

Appendix 2 shows a number of illustrative examples of the cumulative effect over time of the cost and charges on the value of member savings.

These can also be found on our website at <https://www.optionspensions.co.uk/workplace-pension-master-trust-trustees>.

The Trustees have taken account of statutory guidance in preparing this evaluation.

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Value for members

The trustees have assessed the extent to which the charges and transaction costs set out above represent good value for members, taking into account the direct charges borne by members and the features of the Scheme. The assessment framework looked at a number of different aspects of how member charges are utilised and is summarised below:

1. How we run the Scheme (governance)

- The Scheme is set up under Trust law to ensure that members' retirement savings are protected.
- OWPT is run by a Trustee Board which is accountable for all Scheme functions.
- The Trustee Board maintains quality standards through Master Trust Assurance and the Master Trust Supervision regime as an Authorised master Trust.
- The Trustee Board is supported by the expertise and experience of several advisers and service providers, notably the investment adviser, legal advisers and scheme auditor and accountant.
- Advisers and service providers are monitored and reviewed to ensure they deliver to high standards.

2. How we meet members' needs (design)

- Open to all employers and their employees.
- Flexible investment structure and a range of solutions for employers and Strategic Partners.

3. How we grow and protect your money (investments)

- The Trustee Board considers professional investment advice from its Investment Adviser.
- The investment strategy / plan is reviewed each year.
- High quality Default Funds for members who do not wish to make their own investment decisions, providing for managed retirement pathways through the use of Target Date Funds or Lifestyle Glidepaths which reduce investment risk as retirement approaches.
- Quarterly investment performance reports provided by Investment Adviser to review against targets set, and ongoing monitoring of the investment portfolio and markets.
- Regular reviews with Investment Managers to discuss strategy and performance.

4. How we operate (administration)

- The Trustee Board monitors the administrators against service level targets to maintain service standards.
- Member contributions are processed promptly.
- High standards of record keeping are maintained.
- Member data is held securely.
- Member complaints are handled effectively.

5. How we keep in touch with members (communication)

- Dedicated member helpline allowing face-to-face contact with our customer service team, with additional support through email mailboxes.
- The Trustee Board makes use of surveys to learn members' views.
- Members have access to an online portal for up to date valuations and scheme documentation, allowing them to make changes such as Beneficiary Nominations and investment switches.
- The Trustee Board has a communications plan which it reviews and updates each year.

6. How we keep running costs low (charges)

- Combined charges equivalent to approximately 0.71% which are less than the limit set by the Government.
- OWPT's costs are comparable with similar schemes.
- Direct investment in a new administration system will provide greater functionality for member information and reduce ongoing costs.
- Regular review of service provider fees.

The Trustees Board have considered the overall package of services and governance provided in return for the charges paid by scheme members and have concluded that the scheme provides value for money to members based upon the annual administration fee they pay.

The Trustees and OCPUK Ltd continually strive to improve the member experience and the value they receive. The investment in a new administration system went live in March 2021 will provide members with an enhanced online portal giving access to new modelling tools to help them plan for their financial future, together with enhanced communication tools.

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Trustee knowledge and understanding

The requirement under section 248 of the Pensions Act 2004 (requirement for knowledge and understanding) has been met during the period as follows:

All trustees have completed the Pensions Regulator's trustee toolkit and complied with the Continuing Professional Development requirements of their professional bodies (where applicable). Upon appointment the independent trustees attend an induction day to familiarise themselves with the operation of the Master Trust and Scheme documentation. All of the key documents and policies relating to the Scheme, including the Trust Deed & Rules and Statement of Investment Principles, are kept electronically on a secure file server, which is kept up to date and is available to the Board for reference at all times, and referenced as necessary during trustee meetings. Trustees are free to request any further information they may require from the Administrator. Additional training is provided as and when required and has included investment workshops with the default fund managers and Sharia training to aid understanding for the Sharia section of the scheme. Attendance at industry seminars, Pension Regulator workshops and fund manager presentations are among some of the ways that trustee knowledge is maintained. Regular legal updates are also circulated to the trustees. Throughout the scheme year the Trustees focused on ESG requirements and Sharia training and attended a number of seminars regarding these. Formal recording of CPD is submitted to the secretary which matches activity to any identified shortfall in knowledge.

The trustee board has significant experience within the Pension Industry, relating to running, managing and trusteeship of pension schemes. The Board has significant knowledge and understanding of the law relating to pension trusts, and between them have sufficient knowledge of the relevant principles relating to the funding and investment of occupational pension schemes. Details of the Boards collective experience is provided below:

- **Anthony Filbin**, the Trustee Chairman, joined Legal & General in 1979 where he held a number of senior positions rising to Managing Director of Workplace Savings. In his various roles he was responsible for Legal & General's suite of retail pension and annuity products including the development and implementation of their award-winning auto-enrolment proposition.

Since leaving Legal & General in 2014, he has taken up a number of pension trustee board positions and non-executive director roles with Quai Administration Services, Capital Cranfield Trustees and Mattioli Woods.

He is a regular speaker at pension conferences and has held committee positions with the Institute of Actuaries and the Pensions Management Institute. In 2013 he was named by Financial News as one of the Top 10 Most Influential People in Pensions.

- **Barry Parr** also has over 26 years' experience of pension trusteeship and has worked on and contributed to many industry bodies including being a former member of The Pension Regulator's DC Practitioners Panel. He was the co-founding chair of the Association of Member Nominated Trustees (AMNT). He is also a trustee on another Master Trust trustee board. During the year Barry obtained the recently industry introduced professional trusteeship accreditation through the Pensions Management Institute.

Christine Hallett, Paul Webster and David Hatch are trustee directors for MK Corporate Trustees UK Limited, the affiliated trustee on the Board. Paul Webster represented MKCTUK during the year.

- **Christine Hallett** is the MD of Options UK and has over 30 years' experience in the Financial and Pensions Industries on SIPP, SSAS and Corporate pensions, holding several senior executive roles during this time.
- **Paul Webster** has a background of over 27 years' experience within the Occupational Pensions field, working on DB & DC schemes for Third Party Administrators and In-house schemes before moving to Pension Specialist roles and working with Trustee Boards.
- **David Hatch** has worked in the financial services arena since 2000. In 2007 David moved into the Self-Invested Pension market focusing on UK regulated schemes such as Small Self-Administered Schemes and Self-Invested Personal Pension Schemes. David has extensive knowledge of the Self-Invested Pension market and has had experience of working in the financial services industry for over 17 years in various management and project roles.

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Trustee knowledge and understanding (Continued)

The Trustees believe that as a board they have the correct level of knowledge and understanding to properly exercise their functions as Trustees. The level and mix of skills include professional trusteeship, an understanding of investment strategies for defined contribution scheme members, legal knowledge, compliance and administration. Where the board feel that they have insufficient knowledge of a subject the required appropriate advice would be taken, and they have formally appointed an Investment adviser and Legal adviser to provide advice where necessary.

In accordance with the Trustees' Business Plan a review of the trustee board's effectiveness, performance and skills is carried out on an annual basis, and includes the completion of a Skills Matrix, with each trustee completing their own assessment of their knowledge and skills. The review involves the board considering and discussing their own performance, achievements and learning points over the previous 12 months, and is recorded in the trustee board minutes. Where gaps in knowledge are identified appropriate training can be arranged. The latest formal review of the Trustee Board's skills and knowledge took place in January 2020, however the trustees are currently undertaking their latest assessment.

The skills audit process 2020

The Board members assess their knowledge across five key areas, covering 43 criteria ranked as either "Essential" or "Desirable" skills. Assessment rated the Trustees as either "Excellent", "Good", "Fair" or "Development" across these criteria. The individual and collective output of the process assists the trustees with a training plan.

The process involves the Secretary issuing questionnaires covering knowledge and skills to all the trustees and collated the information which was received. This is then followed up with a meeting with the Chair with the secretary in attendance. The appraisal exercise allowed the Chair to identify any strengths or weaknesses with the Trustees which were discussed at a subsequent board meeting. Output will be fed into the training plan.

The skills assessment and appraisal for 2020/21 is currently in progress.

Scheme Governance

- The governance structure has improved with the introduction of a separate Investment sub-committee. There are now regular quarterly sub-committee meetings and all meetings are now more dynamically organised.
- All trustees have gone through the Fit & Proper assessment.
- The Scheme's risk register has been overhauled and improved during the Scheme Year.
- The Scheme has the advantage of independent (non-affiliated) Trustee directors, a scheme secretary and good professional advisers.
- Master Trust Assurance Framework (MTAF) 02/07 for the period ending December 2019 was completed in October 2020. The trustees have commissioned the MTAF 05/20 report for the 15 month period ending March 2021 which is in progress at the time of writing.

The COVID-19 Pandemic presented unprecedented challenges for all businesses during the year to March 2021. The Trustees, together with Options UK Pensions UK Ltd, took additional steps to ensure the governance and administration of the scheme was maintained. Regular virtual meetings and conference calls were staged to provide updates on the administration challenges, particularly during the periods where members were working from home were advised. Normal trustee business and meetings were maintained through virtual meetings, the number of which increased during the year. Regular contact was also maintained with the Pensions Regulator to provide assurance that the Trust was able to maintain its commitments to the scheme members during this time.

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Non-affiliation of trustees and member representation

The requirements of regulation 27(2) of the Regulations for a majority of the Trustees to be non-affiliated have been met during the period. The Trustee Board is comprised of three Trustees whereby two out of the three trustees are independent and non-affiliated to the scheme.

Anthony Filbin (the Chair of Trustees) and Barry Parr were the independent Trustees throughout the scheme year. Barry Parr had been selected in November 2017 in accordance with the requirements of Section 22 of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 (S.I. 2015/879). Anthony Filbin was appointed in September 2019 as part of the Master Authorisation process prior to authorisation being granted, and in full agreement with the Pensions Regulator. The appointment of Anthony Filbin was approved by the Pensions Regulator as part of this process, acknowledging there was insufficient time to conduct a wider market selection process under the regulations. Barry Parr's term was reviewed in November 2020 in line with the Trustee Recruitment and Succession Policy, and he was reappointed for a second term. Both independent trustees meet the criteria for non-affiliated trustees as they are independent of any undertaking which provides advisory, administration, investment or other services in respect of the Master Trust.

MK Corporate Trustees UK Limited is the affiliated member of the trustee board, and as such they count as one vote in the decision-making quorum.

The arrangements the Trustees have put in place to encourage members of the Scheme or their representatives to make their views on matters relating to the Scheme known to the Trustees include:

- A statement encouraging member feedback has been placed in the member booklet and on the Annual Benefit Statement, whereby members can respond through a dedicated email address.
- Members can also provide feedback through their Employer or the Employer's IFA or representative.
- Newsletter posted to member online accounts informing them of news and information regarding the Trust.

A member survey was due to be issued in Q1 2021, however with the implementation of the new system this has now been pushed back until Q4 in 2021. The results will be analysed to help guide any future trustee actions.

The Trustees will further review member communications over the next year, having considered size, nature and demographic of scheme membership. A newsletter and copy of the Chair's Statement will be posted on the member portal following the signing of the Report & Accounts for year ending 31 March 2021.

Signed for and on behalf the trustees of the Scheme by:

Chair of Trustees/Chairman

28th October 2021

Date

The Options Workplace Pension Trust

Chairman's Annual Statement

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Appendix 1 – Transaction costs

Fund	AMC	OCF	Options fee	Total fee	Transaction Costs	Transaction cost notes
AB TDF 2011-2013 Retirement Fund	0.27%	0.28%	0.20%	0.48%	0.01%	Transaction costs shown are additional fund expenses payable to third-party fund managers in relation to expenses incurred by those underlying funds such as custodian fees, audit fees, depository/trust fees and legal fees. These expenses are dependent upon the underlying asset allocation of the Retirement Strategies Funds at any given time.
AB TDF 2014-2016 Retirement Fund	0.27%	0.28%	0.20%	0.48%	0.01%	
AB TDF 2017-2019 Retirement Fund	0.27%	0.28%	0.20%	0.48%	0.01%	
AB TDF 2020-2022 Retirement Fund	0.27%	0.28%	0.20%	0.48%	0.01%	
AB TDF 2023-2025 Retirement Fund	0.27%	0.28%	0.20%	0.48%	0.01%	
AB TDF 2026-2028 Retirement Fund	0.27%	0.29%	0.20%	0.49%	0.02%	
AB TDF 2029-2031 Retirement Fund	0.27%	0.29%	0.20%	0.49%	0.02%	
AB TDF 2032-2034 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2035-2037 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2038-2040 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2041-2043 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2044-2046 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2047-2049 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2050-2052 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2053-2055 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2056-2058 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2059-2061 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2062-2064 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2065-2067 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2068-2070 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
AB TDF 2071-2073 Retirement Fund	0.27%	0.30%	0.20%	0.50%	0.03%	
Quilter Defensive strategy - Futura (0059)	0.30%		0.20%	0.50%		Net Performance figures published include all explicit and implicit charges. Transaction costs 0.09% – 0.13%
Quilter Balanced strategy - Futura (0058)	0.30%		0.20%	0.50%		
Quilter Growth strategy - Futura (0057)	0.30%		0.20%	0.50%		
Quilter Defensive strategy (Ex FAPT)	0.30%		0.20%	0.50%		
Quilter Balanced Strategy (Ex FAPT)	0.30%		0.20%	0.50%		
Quilter Growth Strategy (Ex FAPT)	0.30%		0.20%	0.50%		
London & Capital Defensive Equity Fund	0.50%		0.30%	0.80%		Not provided
London & Capital Global Conservative Fixed Interest Income Fund	0.50%		0.30%	0.80%		
London & Capital Global Balanced Fixed Income Fund	0.50%		0.30%	0.80%		
London & Capital Global Growth Fixed Income Fund	0.50%		0.30%	0.80%		
Quilter MPS Growth **	0.20%		0.30%	0.50%		Net Performance figures published include all explicit and implicit charges.
Quilter MPs Balanced **	0.20%		0.30%	0.50%		
Quilter MPS Conservative **	0.20%		0.30%	0.50%		
Quilter MPS Cautious **	0.20%		0.30%	0.50%		
TAM WPP Balanced Fund	0.45%		0.00%	0.45%		All costs included in AMC
Shard Capital	0.40%		0.10%	0.50%		All costs included in AMC
HSBC Islamic Global Equity Index Fund (YCGBP)	0.30%	0.30%	0.20%	0.50%	0.00%	No transaction costs

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Chairman's Annual Statement

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Appendix 1 (Continued)

Amber Section

Fund	AMC	OCF	Options fee	Total fee	Transaction Costs	Transaction cost notes
DC LifePath 2020 Class N	0.25%	0.256%	0.25%	0.50%	0.006%	
DC LifePath 2021 Class N	0.25%	0.262%	0.25%	0.50%	0.012%	
DC LifePath 2022 Class N	0.25%	0.304%	0.25%	0.50%	0.054%	
DC LifePath 2023 Class N	0.25%	0.341%	0.25%	0.50%	0.091%	
DC LifePath 2024 Class N	0.25%	0.369%	0.25%	0.50%	0.119%	
DC LifePath 2025 Class N	0.25%	0.391%	0.25%	0.50%	0.141%	
DC LifePath Retirement 2025-27 Class N	0.25%	0.286%	0.25%	0.50%	0.036%	
DC LifePath Retirement 2028-30 Class N	0.25%	0.305%	0.25%	0.50%	0.055%	
DC LifePath Retirement 2031-33 Class N	0.25%	0.299%	0.25%	0.50%	0.049%	
DC LifePath Retirement 2034-36 Class N	0.25%	0.304%	0.25%	0.50%	0.054%	
DC LifePath Retirement 2037-39 Class N	0.25%	0.284%	0.25%	0.50%	0.034%	
DC LifePath Retirement 2040-42 Class N	0.25%	0.309%	0.25%	0.50%	0.059%	
DC LifePath Retirement 2043-45 Class N	0.25%	0.281%	0.25%	0.50%	0.031%	
DC LifePath Retirement 2046-48 Class N	0.25%	0.321%	0.25%	0.50%	0.071%	
DC LifePath Retirement 2049-51 Class N	0.25%	0.288%	0.25%	0.50%	0.038%	
DC LifePath Retirement 2052-54 Class N	0.25%	0.323%	0.25%	0.50%	0.073%	
DC LifePath Retirement 2055-57 Class N	0.25%	0.346%	0.25%	0.50%	0.096%	
DC LifePath Retirement 2058-60 Class N	0.25%	0.346%	0.25%	0.50%	0.096%	
DC LifePath Retirement 2061-63 Class N	0.25%	0.346%	0.25%	0.50%	0.096%	
DC LifePath Retirement 2064-66 Class N	0.25%	0.346%	0.25%	0.50%	0.096%	
DC LifePath Retirement 2067-69 Class N	0.25%	0.346%	0.25%	0.50%	0.096%	
DC LifePath Retirement Year Fund Class N	0.25%	0.254%	0.25%	0.50%	0.004%	
BNYM - Newton Global Income *	1.50%	1.62%	0.30%	1.92%		Included in OCF
Columbia Threadneedle - TPEN Property 3 Fund	1.50%		0.30%	1.80%		Not explicitly provided
Tatton Oak Capital Growth Fund ^		0.91%	0.30%	1.21%	0.04%	
Tatton Oak Blended Agressive Fund *		0.63%	0.30%	0.93%	0.00%	
Tatton Oak Cautious Growth Fund ^		0.92%	0.30%	1.22%	0.09%	
Aegon Ethical Cautious Managed (Kames) ^^	0.75%	0.79%	0.30%	1.09%		Included in OCF
HSBC Islamic Global Equity Index Fund (ACGBP) **	0.75%	0.92%	0.30%	1.22%		Not explicitly provided

Section Default Funds

Total Fee includes OCF where provided

AMC: Annual Management Charge – these are fees charged by Investment Managers to cover the cost of managing the fund and are directly borne by the member.

OCF: Ongoing Charges Figure – this includes the AMC and covers additional operational expenses such as audit, legal and regulatory. These additional fees may be accounted for within the fund performance figures.

The Options Workplace Pension Trust Chairman's Annual Statement

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Appendix 2 – Illustrations over time of the growing effect costs and charges on the value of member's savings

Illustration 1 – AllianceBernstein TDFs & Aegon Blackrock Default Funds

Based on a typical Scheme member described below, we have calculated the following illustrations:

Currently aged 18

Year	AllianceBernstein TDF		AEGON BlackRock Lifepath TDF	
	Before charges	After all charges and costs deducted	Before charges	After all charges and costs deducted
1	£3,369.99	£3,335.58	£3,369.07	£3,334.63
3	£7,333.41	£7,198.07	£7,328.94	£7,193.46
5	£11,614.63	£11,330.30	£11,603.99	£11,319.45
10	£23,880.28	£22,966.59	£23,840.12	£22,926.43
15	£38,754.37	£36,737.53	£38,658.31	£36,643.25
20	£56,791.65	£53,031.96	£56,603.43	£52,850.68
25	£78,664.80	£72,309.88	£78,335.33	£71,998.51
30	£105,189.57	£95,115.41	£104,653.07	£94,618.09
35	£135,455.85	£120,406.31	£134,636.16	£119,661.27
40	£164,649.53	£143,810.78	£163,490.82	£142,778.44
45	£191,275.94	£164,129.69	£189,737.42	£162,786.43
47	£201,553.27	£171,723.58	£199,850.53	£170,249.00

Illustration 2 – AllianceBernstein TDFs & Aegon Blackrock Default Funds

Based on a typical Scheme member described below, we have calculated the following illustrations:

Currently aged 40

Year	AllianceBernstein TDF		AEGON BlackRock Lifepath TDF	
	Before charges	After all charges and costs deducted	Before charges	After all charges and costs deducted
1	£7,007.60	£6,955.01	£7,005.69	£6,953.03
3	£11,262.69	£11,068.71	£11,255.02	£11,060.81
5	£15,858.95	£15,469.60	£15,842.56	£15,452.88
10	£29,027.21	£27,861.96	£28,973.11	£27,807.93
15	£43,631.07	£41,240.33	£43,513.19	£41,124.93
20	£58,631.09	£54,576.28	£58,422.48	£54,376.01
25	£71,626.54	£65,524.99	£71,302.32	£65,219.77

The typical member for the illustrations of the AllianceBernstein TDFs & Aegon Blackrock default funds are based on the following assumptions:

- Has a starting pot of £1,500 at age 18, £5,000 at age 40
- Is due to take money from age 65
- Contributions of £1,700 per year (based on 8% of Qualifying Earnings on a salary of £27,500)

How the illustrations are calculated:

- Values are not guaranteed
- Inflation is assumed to be 2.5% over the long term
- The real rates of return, net of transaction costs, with an allowance for lifestyling are detailed below.
 - inflation + 4% far from retirement, moving towards inflation + 1% at retirement starting 15 years from retirement

The Options Workplace Pension Trust

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FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

Appendix 2 (Continued)

Illustration 3 – Quilter Cheviot Default Fund

Based on a typical Scheme member described below, we have calculated the following illustrations:

Currently aged 18

Year	Before charges	After all charges and costs deducted
1	£6,463.58	£6,405.34
3	£10,601.81	£10,384.07
5	£15,038.34	£14,597.74
10	£27,579.67	£26,251.61
15	£42,504.70	£39,698.66
20	£60,266.48	£55,212.32
25	£81,404.20	£73,108.05
30	£106,559.51	£93,749.66
35	£136,496.02	£117,556.81
40	£156,715.43	£132,067.68
45	£174,551.39	£143,978.34
47	£181,964.09	£148,821.74

Illustration 4 – Quilter Cheviot Default Fund

Based on a typical Scheme member described below, we have calculated the following illustrations:

Currently aged 40

Year	Before charges	After all charges and costs deducted
1	£13,711.48	£13,607.62
3	£18,372.16	£18,008.64
5	£23,368.81	£22,669.35
10	£37,493.49	£35,558.88
15	£53,023.65	£49,242.51
20	£65,016.50	£59,177.79
25	£75,923.44	£67,602.95

The typical member for the illustrations of the Quilter Cheviot default funds are based on the following assumptions:

- Has a starting pot of £4,500 at age 18, and £11,500 at age 40
- Is due to take money from age 65
- Contributions of £1,700 per year (based on 8% of Qualifying Earnings on a salary of £27,500)

How the illustrations are calculated:

- Values are not guaranteed
- Inflation is assumed to be 2.5% over the long term
- The real rates of return, net of transaction costs, with an allowance for lifestyle are detailed below.
 - inflation +3.5% for the growth fund, balanced +2% for the core fund and inflation +1% for the defensive fund

The Options Workplace Pension Trust Chairman's Annual Statement

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Appendix 2 (Continued)

Illustration 5 – TAM WPP Balanced Fund

Based on a typical Scheme member described below, we have calculated the following illustrations:

Currently aged 18

Year	Before charges	After all charges and costs deducted
1	£2,308.13	£2,280.19
3	£6,084.71	£5,974.50
5	£10,085.60	£9,854.73
10	£21,158.52	£20,430.22
15	£33,949.54	£32,383.25
20	£48,725.24	£45,891.03
25	£65,793.57	£61,153.82
30	£85,510.26	£78,397.91
35	£108,286.24	£97,878.96
40	£134,596.19	£119,885.80
45	£164,988.45	£144,744.73
47	£178,427.14	£155,567.90

Illustration 6 – TAM WPP Balanced Fund

Based on a typical Scheme member described below, we have calculated the following illustrations:

Currently aged 40

Year	Before charges	After all charges and costs deducted
1	£2,822.77	£2,792.50
3	£6,629.91	£6,512.37
5	£10,663.18	£10,419.44
10	£21,825.72	£21,068.00
15	£34,720.26	£33,103.56
20	£49,615.55	£46,704.55
25	£65,028.53	£60,287.18

The typical member for the illustrations of the TAM WPP Balanced Fund are based on the following assumptions:

- Has a starting pot of £500 at age 18, and £1,000 at age 40
- Is due to take money from age 65
- Contributions of £1,700 per year (based on 8% of Qualifying Earnings on a salary of £27,500)

How the illustrations are calculated:

- Values are not guaranteed
- Inflation is assumed to be 2.5% over the long term
- The real rate of return, net of transaction costs, is assumed to be inflation +3%

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Appendix 2 (Continued)

Illustration 7 – Islamic Section Default

Based on a typical Scheme member described below, we have calculated the following illustrations:

Currently aged 18

Year	Before charges	After all charges and costs deducted
1	£3,888.55	£3,851.55
3	£7,889.62	£7,745.95
5	£12,209.06	£11,909.97
10	£24,571.80	£23,623.89
15	£39,542.55	£37,467.05
20	£57,671.47	£53,823.73
25	£79,624.82	£73,147.91
30	£106,209.39	£95,975.81
35	£138,402.15	£122,940.81
40	£172,270.94	£150,331.24
45	£188,621.16	£161,679.47
47	£188,608.99	£160,539.07

Illustration 8 – Islamic Section Default

Based on a typical Scheme member described below, we have calculated the following illustrations:

Currently aged 40

Year	Before charges	After all charges and costs deducted
1	£8,044.65	£7,986.86
3	£12,376.43	£12,165.79
5	£17,052.89	£16,633.90
10	£30,437.47	£29,202.78
15	£46,645.62	£44,055.63
20	£61,724.93	£57,385.82
25	£68,098.18	£62,215.03

The typical member for the illustrations of the Islamic Section Default fund are based on the following assumptions:

- Has a starting pot of £2,000 at age 18, and £6,000 at age 40
- Is due to take money from age 65
- Contributions of £1,700 per year (based on 8% of Qualifying Earnings on a salary of £27,500)

How the illustrations are calculated:

- Values are not guaranteed
- Inflation is assumed to be 2.5% over the long term
- The real rate of return, net of transaction costs, with an allowance for lifestyle is assumed to be Inflation +4% for the HSBC Islamic Fund and 0% for the Islamic Cash

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Appendix 2 (Continued)

Illustration 9 – Shard Capital (Indepensions) Section Default

Based on a typical Scheme member described below, we have calculated the following illustrations:

Currently aged 18

Year	Before charges	After all charges and costs deducted
1	£3,888.55	£3,851.55
3	£7,889.62	£7,745.95
5	£12,209.06	£11,909.97
10	£24,571.80	£23,623.89
15	£39,542.55	£37,467.05
20	£57,671.47	£53,823.73
25	£79,624.82	£73,147.91
30	£106,209.39	£95,975.81
35	£138,402.15	£122,940.81
40	£172,270.94	£150,331.24
45	£188,621.16	£161,679.47
47	£188,608.99	£160,539.07

Illustration 10 – Shard Capital (Indepensions) Section Default

Based on a typical Scheme member described below, we have calculated the following illustrations:

Currently aged 40

Year	Before charges	After all charges and costs deducted
1	£8,044.65	£7,986.86
3	£12,376.43	£12,165.79
5	£17,052.89	£16,633.90
10	£30,437.47	£29,202.78
15	£46,645.62	£44,055.63
20	£61,724.93	£57,385.82
25	£68,098.18	£62,215.03

The typical member for the illustrations of the Shard Capital (Indepensions) Section Default fund are based on the following assumptions:

- Has a starting pot of £500 at age 18, and £1,000 at age 40
- Is due to take money from age 65
- Contributions of £1,700 per year (based on 8% of Qualifying Earnings on a salary of £27,500)

How the illustrations are calculated:

- Values are not guaranteed
- Inflation is assumed to be 2.5% over the long term
- The real rate of return, net of transaction costs, is assumed to be inflation +3%

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Appendix 2 (Continued)

Deferred member illustrations for a member aged 40 years

Illustration 11 – AllianceBernstein TDFs & Aegon Blackrock Default Funds

Based on a typical deferred scheme member described below, we have calculated the following illustrations:

Year	AllianceBernstein TDF		AEGON BlackRock Lifepath TDF	
	Before charges	After all charges and costs deducted	Before charges	After all charges and costs deducted
1	£4,928.96	£4,886.76	£4,927.62	£4,885.37
3	£11,182.94	£10,944.78	£11,173.83	£10,935.45
5	£15,772.81	£15,337.86	£15,754.91	£15,319.69
10	£28,922.74	£27,708.09	£28,866.97	£27,652.57
15	£43,508.50	£41,065.95	£43,388.81	£40,949.08
20	£58,492.62	£54,385.62	£58,282.18	£54,184.03
25	£70,254.87	£64,539.54	£69,953.80	£64,255.51

The typical member for the illustrations of the AllianceBernstein TDFs & Aegon Blackrock default funds are based on the following assumptions:

- Has a starting pot of £3,000
- Is due to take money from age 65

How the illustrations are calculated:

- Values are not guaranteed
- Inflation is assumed to be 2.5% over the long term
- The real rates of return, net of transaction costs, with an allowance for lifestyling are detailed below.
 - inflation + 4% far from retirement, moving towards inflation + 1% at retirement starting 15 years from retirement

Illustration 12 – Quilter Cheviot Default Fund

Based on a typical Scheme member described below, we have calculated the following illustrations:

Year	Before charges	After all charges and costs deducted
1	£6,463.58	£6,405.34
3	£12,781.48	£12,460.70
5	£17,375.13	£16,796.92
10	£30,360.60	£28,789.38
15	£44,735.00	£41,622.21
20	£56,260.77	£51,379.64
25	£65,947.29	£59,355.38

The typical member for the illustrations of the Quilter Cheviot default funds are based on the following assumptions:

- Has a starting pot of £4,500
- Is due to take money from age 65

How the illustrations are calculated:

- Values are not guaranteed
- Inflation is assumed to be 2.5% over the long term
- The real rates of return, net of transaction costs, with an allowance for lifestyling are detailed below.
 - inflation +3.5% for the growth fund, balanced +2% for the core fund and inflation +1% for the defensive fund



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