

YOUR SCHEME WORKING
FOR YOUR FUTURE

NOVEMBER 2021
ISSUE 35

I T B

PENSIONNEWS

The Newsletter for Members
of the ITB Pension Funds

CONTENTS

| | |
|--|----|
| 2021 Chairman's Review | 2 |
| Board of Trustees | 4 |
| Trustees' Report | 5 |
| Officers and Advisers | 7 |
| Participating Employers | 7 |
| 5 Year Summary | 8 |
| Summary Funding Statements | 9 |
| Financial Summary | 12 |
| Investment Governance | 12 |
| Chairman's Annual Governance Statement | 13 |
| Chairman's Statement Schedule | 19 |
| Supplementary Information | 22 |

Chairman's Review

THERE IS NO DOUBT THE SCHEME YEAR ENDING 31 MARCH 2021 HAS BEEN LIKE NO OTHER, AS THE WORLD HAS HAD TO DEAL WITH THE HUMAN AND ECONOMIC TOLL OF THE CORONAVIRUS PANDEMIC.

Against this background, it is encouraging for me to report that there has been no material impact on the DB Sections. Although the DC Section funds suffered significant falls at the beginning of the year, it is pleasing to be able to confirm the funds have recovered from those lows and are again performing in line with expectations.

Our operations have also continued to run well under enforced, hopefully temporary, working arrangements and all our main service providers continue to provide good support.

All things considered, I am therefore happy, and just a little relieved, to confirm that once again The ITB Pension Funds made good progress on a number of fronts, many of which are highlighted below or contained in the main body of the report.

FUNDING AND INVESTMENTS

Defined Benefit (DB) Actuarial Valuation

2020 saw a lot of valuation related activity, all aimed at monitoring the ongoing financial health of the Funds.

The valuations are conducted by the Scheme Actuary, Martin Clarke of the Government Actuary's Department (GAD), who advises the Trustees on assumptions about factors such as long-term interest rates, membership mortality and the expected return on the Fund's assets, to estimate the funding position of the Funds and whether any further contributions are required to provide all the current and future benefits due to be paid.

Interim actuarial reviews of both the Closed and Open Funds were completed and showed an improved funding position in each case. Work was also started on a further interim actuarial review of the Open Fund as at 31 March 2021 and on the 2021 Closed Fund Triennial Actuarial Valuation.

DB Section Investment Strategy

New regulations requiring the publication of a Statement of Investment Principles (SIP) Implementation Statement were introduced during 2020. The purpose of the Implementation Statement is to provide assurance that investment policies and stewardship arrangements are delivering against the Funds' agreed investment principles. Our first SIP Implementation Statement has now been agreed and published.

Other new regulations established a requirement to measure the effectiveness of our investment consultants in meeting their objectives in relation to advising the Funds. Our first annual Compliance Statement and Certification was successfully lodged with the Competitions and Markets Authority in December 2020.

During 2020, ITB responded in detail to the HM Treasury consultation on the reform of RPI, which risked negatively affecting holders of certain gilt investments, such as the ITB Pension Funds. Although our pleas, and those of many other pension funds, were not taken on board, implementation of the new inflation index was delayed until 2030. While this will result in a degree of mitigation, the Trustees continue to monitor the impact of the shift from RPI to CPIH and will take whatever action is necessary to restore the good funding position of the Funds. Early actions implemented towards the end of last year and early 2021 were adjustments to both the interest rate and inflation hedges of the LDI investment portfolio.

The Defined Contribution (DC) Section

With most active involvement by ITB Employers and their employees now in the DC Section, a review of the DC and AVC investment strategy was completed in 2020. The conclusion was that the default lifestyle fund remains suitable for members, but that it could be enhanced by addressing the risk posed by climate change. As a result, it was decided to replace the L&G Global Equity Market Weights 30:70 Index Fund with the L&G Low Carbon Transition Fund. As well as helping to mitigate climate-related risks and take advantage of growth opportunities, the change also improves the diversification of the equity investments for members.

As I explained last year, new legislation required non-associated multi-employer DC pension providers to apply to become regulated Master Trusts and that the ITB DC Section achieved Master Trust authorisation from The Pensions Regulator during 2019. Since then, the ITB DC Section has been under the formal Master Trust supervision regime and I am pleased to report an ongoing clean bill of health and continued compliance with all aspects of the master trust regulations. This is a significant outcome for our Employers and their employees.

EMPLOYER COVENANT

Given the importance of the strength of the Employers' covenant in formulating decisions about many aspects of the ITB's work, we employ an independent firm of professional covenant advisers, BTG Advisory, to advise on covenant strength and to report to us on each Employer's financial position and business prospects.

Part of what they do, along with the Trustees, is to work hard to understand the issues confronted by our sponsoring Employers as they react to the economic and business environment, including the risks presented by the coronavirus pandemic. An important activity for the Trustees is to monitor Employers' ability to meet their funding obligations to the Fund.

During the past year, a number of employer related matters were overseen by the Trustees. First among these was the conclusion of the liquidation of former participating employer People 1st and the receipt of the final payment towards its s75 debt. We also supported the restructure of Cogent Skills Ltd and continued constructive discussions with the Department for Education regarding government policy towards the statutory ITBs. It is also pleasing to report that following OPITO Ltd terminating its participation in the ITB Pension Funds with effect from 5 March 2020, the Funds received full payment of the due s75 debt in May 2020.

TRUSTEES

The business experience and skills of my colleagues on the Trustee Board makes a very positive contribution to decision making on the many varied and complex issues we have to deal with. I remain grateful for the support and input of my fellow Trustees, who have done much to contribute to the success of the ITB Pension Funds over the years.

David Wake, CITB's Members' Trustee left during the scheme year. David served for almost four years and I would like to formally thank him for his commitment and contribution over the time he acted as a Trustee and wish him well for the future.

It's my pleasure to also welcome to the Trustee Board four new Trustees. These are Ben Alexander-Dann, Enginuity's Members' Trustee, Richard Capewell, Lantra's Employer Trustee, Joanna Woolf, Cogent's Employer Trustee and Peter Sparkes, CITB's Members' Trustee. I look forward to working with these new colleagues and to their valued contribution in the years to come.

GOVERNANCE

The ITB Trustees have long regarded the subject of governance as a high priority. We regularly review the skills and knowledge of individual Trustees and arrange and deliver a large number of training sessions throughout the year to improve skills and knowledge.

Despite the serious restrictions imposed by the coronavirus pandemic, the Trustees ensured that high standards of governance were maintained over the Fund's operations and investments. This included board and committee meetings and training events continuing to be held by video link, with a return to physical meetings on the horizon. Two new Working Groups were active, dealing with the complex job of GMP Equalisation and the Pension Schemes Act 2021 requirements on dealing with climate related risks. A review of the membership structure of the Trustee Board was undertaken and changes agreed with Employers on maintaining a balanced board of employee and employer nominated trustees.

In addition, we value the quality of advice and service we receive from our professional advisers. We review our advisers regularly to ensure that quality and value for money are maintained. During the past year, our recently appointed new auditor, PWC, delivered a successful first audit of ITB, enhancing independent oversight and fiduciary governance of the Funds.

It is also important to us that Employers feel engaged with governance and we held a successful training day for them all in November 2020.

Protection of members' interests is key for Trustees and with vulnerable savers increasingly being targeted by fraudsters ITB were leaders in committing to sign up to The Pensions Regulator's Pledge to Combat Pension Scams.

FUNDS' STAFF

As I touched on in my previous Review, the past scheme year has been one of considerable change for The Funds' Office. Vincent Gordon retired after twenty years of sterling effort and his big shoes have been well filled by Mike Thorpe. Gareth Pryce has taken over from Mike as Funds' Accountant and Simon Robinson replaced Chris Bettles as Pensions Administration Manager on his retirement. Chris gave very many years of exemplary service to the ITB Pension Funds and his support of members, staff and Trustees was invaluable and will be missed. Chris was looking forward to the next phase of his life, but very sadly he died suddenly not long after his retirement. His untimely death is a huge loss for all who knew him, but particularly for his family and friends. Our thoughts and condolences are with them all.

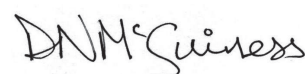
Like most organisations, we are only as good as the people that represent us. This new top team of Mike, Gareth and Simon places ITB in an exciting and strong position. The team will undoubtedly deliver high standards of management and administration to provide the desired level of service to all members of the Trustee Board, the Funds' Employers and to you the members, active, retired or yet to draw benefits. They have my unequivocal support and I look forward to them building on the legacy left by Vincent and his predecessors.

OUTLOOK

As I write this review of the scheme year, we remain in the grip of the coronavirus pandemic and the uncertainty that it generates. Despite this uncertainty, the Trustees feel, all things considered, that the past scheme year has been a successful one with many notable achievements. Now it seems there are clear signs that the disease is coming under control and society is opening up. This gives me great hope that with a new top team in place, a reinvigorated board in charge and many exciting projects on the horizon, that ITB will thrive in 2021 and the years to come.

There is no doubt there will be challenges ahead, not least increasing regulation, but against the background of renewed optimism, and with the support of Employers and our professional advisers, the Trustees will continue to strive to ensure a positive outcome for all members of The ITB Pension Funds.

Let's hope that we also see an end to the damage and hurt caused by coronavirus and that by the time you read this review all of us will be seeing at least a degree of normality returning to our lives. As an optimist, I believe we really will!



David Newell McGuinness

Board of Trustees

EMPLOYERS' TRUSTEES

David Birtwistle
Pensions and Reward Consultant

Enginuity

Nominated by: Enginuity



Richard Capewell (from 15 April 2020)
Retired Trustee of Lantra



Nominated by: Lantra



John Dearden
Retired Chief Executive of CAPITB Limited

CAPITB Ltd

Nominated by: CAPITB Limited



Terry Lazenby, MBE
Retired Chairman of ECITB



Nominated by: Engineering Construction ITB



Newell McGuinness (Chairman)
Retired Managing Director of SELECT



Nominated by: Scottish Electrical Charitable Training Trust



Peter Rogerson, OBE
(Deputy Chairman – Employers)
Retired Deputy Chairman of Construction ITB



Nominated by: Construction ITB



Joanna Woolf (from 9 October 2020)
Chair of Cogent Skills

Cogent skills
for science industries

Nominated by: Cogent SSC Limited



MEMBERS' TRUSTEES

Ben Alexander-Dann (from 15 April 2020)
Data Scientist and Insight Analyst

Enginuity

Nominated by: Enginuity



David Lewis
Senior Account Manager – Nuclear



Nominated by: Engineering Construction ITB



Martin McManus
Policy & Standards Manager

Cogent skills  **CAPITB Ltd**

Nominated by: Cogent SSC Limited and, from 1 January 2021, Joint Member Trustee for Cogent SSC Limited, CAPITB Limited and Scottish Electrical Charitable Training Trust



Robert Tabor
Chief Operating Officer



Nominated by: Lantra



Peter Sparkes (from 9 April 2021)
Product Developer / Project Manager



Nominated by: The trades union Unite for: Construction ITB



David Wake (to 28 February 2021)
Advisor – London East



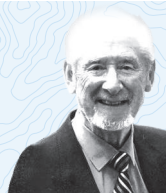
Nominated by: The trades union Unite for: Construction ITB



PENSIONERS' TRUSTEES

Maurice Alston
Retired – formerly Senior Training Adviser Chemical and Allied Products ITB

Nominated by: Closed Fund Pensioners, previously Chemical and Allied Products ITB



David Barnett (Deputy Chairman – Members)
Retired – Formerly Director General of RTITB

Nominated by: Open Fund, previously Road Transport ITB



Trustees' Report

The Trustees of the ITB Pension Funds present their annual report for the year ended 31 March 2021.

FUNDS CONSTITUTION

The ITB Pension Funds, consisting of the Open and Closed Funds, is set up under a Trust Deed and Rules and administered by a Board of Trustees, comprising Member (including Pensioner) Trustees and Employer Trustees. It is a Registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004.

The assets of the Funds are separate from those of its Participating Employers and are held in trust by the Trustees, to apply them for paying pensions and other benefits in accordance with the Trust Deed and Rules.

FUNDS STRUCTURE

The Open Fund consists of four separate sections:

- the original section of the Open Fund, known as the 'Old Section'
- the 'New Section', which was introduced on 1 September 2003
- the '2007 Section', which was introduced on 1 January 2007, and
- the 'DC Section', which was introduced on 1 April 2012.

Employees of Participating Employers may join the Open Fund subject to eligibility conditions and elections made by Employers. The benefits received by members are determined by elections made by the Employers. All Employers elected not to offer further DB benefits from the following dates:

- ECITB from 6 April 2016
- CITB from 1 January 2017
- Lantra from 1 February 2017
- Cogent SSC (and group companies) from 1 April 2017
- Enginuity (and subsidiary) and CAPITB from 1 October 2017, and
- SECTT from 1 July 2018.

The Closed Fund has no Participating Employers paying contributions. It is predominantly invested in an insurance policy intended to match its liabilities.

TRUSTEESHIP

Appointment and Removal of Trustees

As at 31 March 2021, the Funds had thirteen Trustees consisting of seven Employers', four Members' and two Pensioners' Trustees. There was one Members' Trustee position vacant, which was filled after the year-end. Details of the Trustees in office during the year and to the date of the Trustees' Report are shown on page 4.

During the year, the size of the Trustee Board was reduced from eighteen members to fourteen through the following changes:

- Employer Trustees: The Trust Deed and Rules effective at the start of the year provided for nine Employer Trustees, with each main Employer able to appoint one Trustee. With the Funds having only seven main

Employers, this had resulted in there being two Employer Trustee positions with no Employer to fill them. Amendments to the Trust Deed and Rules resulted in both vacant Employer Trustee positions being removed with effect from 1 January 2021.

- Member Trustees: At the start of the year, there were seven Member Trustee positions, of which at least two had been vacant since January 2019. With effect from 1 January 2021, amendments to the Trust Deed and Rules became effective which resulted in the number of Member Trustee positions on the Board being reduced from seven to five and the Member Trustee nominated by Cogent SSC Limited, being now one of the three smallest Employers ranked by value of s75 DB benefit liabilities, becoming the Joint Member Trustee for Cogent SCC Limited, SECTT and CAPITB.
- Pensioner Member Trustees: The changes did not affect the number of Pensioner Member Trustees and there remain two Pensioner Member Trustees on the Board.

Also, with effect from 1 January 2021, a mechanism was introduced so that if the number of Employers reduces further in future, the structure of the Trustee Board will be amended such that an equal balance is maintained between the number of Employers' Trustees and the combined number of Members' and Pensioners' Trustees.

The Scheme's Rules stipulate that subject to the Funds having at least three Employers:

- Each main Employer has a right to appoint one Trustee.
- The smallest three main Employers, ranked according to s75 Defined Benefit liabilities as at 31 March 2019, nominate a Joint Members' Trustee and the remaining main Employers nominate one Members' Trustee each. The nomination process is by ballot of the Employers' members, except where an Employer recognises a trades union for negotiating terms and conditions of service, when the trades union concerned will nominate the Trustee.

Open Fund pensioners and members with preserved pensions, who are not also active members of the DC Section, nominate a Pensioner Member Trustee by ballot, as do such members of the Closed Fund.

All Trustees are normally expected to serve a minimum of three years on the Trustee Board. A Trustee may resign at any time and will automatically vacate office if he or she ceases to fulfil the eligibility qualifications. In addition, a Trustee will immediately vacate office upon becoming bankrupt or of unsound mind.

The Trustees have the power by resolution to terminate a Trustee's appointment if, in their opinion, the individual concerned has been guilty of misconduct, or is otherwise unfit or unable to carry out his or her duties.

To comply with the Charges & Governance Regulations 2015, the Employer Trustees must be appointed by an open and transparent process (OTP). Consequently, any appointment or reappointment of an Employer's Trustee will be undertaken under an OTP and moreover, all newly appointed Trustees will have a maximum tenure of 10 years.



Changes to the Trustees

Employers' Trustees

Lantra nominated Richard Capewell as its Employer's Trustee and he was appointed under an OTP on 15 April 2020.

Cogent SSC Limited nominated Joanna Woolf as its Employer's Trustee and she was appointed under an OTP on 9 October 2020.

The term of appointment of Terry Lazenby, the Employer's Trustee for ECITB ended on 2 July 2021 and he was renominated by ECITB for a further three-year term under an OTP.

Members' Trustees

The members of SEMTA nominated Ben Alexander-Dann as its Members' Trustee and he was appointed under an OTP on 15 April 2020.

The term of appointment of David Wake, the Members' Trustee for CITB, ended on 29 June 2020 and after being renominated by the trade union 'Unite', was appointed to serve a further term from 30 June 2020. Mr Wake subsequently left the service of CITB and ceased to be a Trustee from 28 February 2021. Peter Sparkes was nominated by Unite to succeed him as a Members' Trustee and was appointed on 9 April 2021.

The term of appointment of David Lewis, the Members' Trustee for ECITB, ended on 5 October 2020 and following a nomination process, he was reappointed for a further three-year term.

The term of appointment of Robert Tabor, the Members' Trustee for Lantra, ended on 31 March 2021 and following a nomination process, he was reappointed for a further three-year term.

Following the changes to the structure of the Trustee Board, and as a transitional arrangement, Martin McManus, the Members' Trustee for Cogent SSC Limited became the Joint Members' Trustee for Cogent SSC Limited, CAPITB and SECTT with effect from 1 January 2021.

Pensioner Trustees

The term of office of Maurice Alston, Closed Fund Pensioner Trustee, came to an end on 3 April 2020 and as he was the sole nominee in the nomination process, he was reappointed for a further three-year term.

The term of office of David Barnett, Open Fund Pensioner Trustee, came to an end on 30 September 2020 and as he was the sole nominee in the nomination process his period of office continues for a further three-year term.

Employer's Deputy Chairman

Peter Rogerson's period of office came to an end on 31 March 2021 and as he was the sole nominee in the nomination process his period of office continues for a further three-year term.

Meetings

Trustees normally meet at least four times a year.

Committees

The Trustees have appointed the following committees – an Investment Committee, a Management Panel and a Salaries Committee. The Investment Committee meets at least four times a year. The Management Panel meets as frequently as is required by the projects it is delegated to undertake. The Salaries Committee meets at least once a year.

During the year, the Trustees set-up a Guaranteed Minimum Pension (GMP) Equalisation Working Party, which reports to the Management Panel and meets at least quarterly.

In May 2021, the Trustees set-up a Climate Change Risk Working Party, which reports to the Investment Committee. The remit of this Party is to address the requirements of recently issued legislation and guidance on climate-related risks.

Officers and Advisers

OFFICERS

Vincent Gordon *FPMI*

Chief Executive and Director (to 31 May 2020)

Mike Thorpe *FCA*

Funds' Accountant (to 31 May 2020)
Chief Executive (from 1 June 2020)

Gareth Pryce *ACA*

Funds' Accountant (from 1 June 2020)

Chris Bettles *DipMI*

Pensions Administration Manager (to 31 March 2021)

Simon Robinson *DipCII*

Pensions Administration Manager (from 1 April 2021)

ADVISERS

ACTUARY

Martin Clarke FIA Government Actuary's Department

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

COVENANT ADVISER

BTG Advisory LLP (formerly CVR Global LLP)

INVESTMENT ADVISER AND PERFORMANCE MONITOR

Lane Clark & Peacock LLP

SOLICITORS

Mayer Brown International LLP

INVESTMENT MANAGERS

Allianz Global Investors GmbH

BlackRock Investment Management (UK) Ltd

Fidelity International

Fletcher King

Insight Investment Management (Global) Ltd

Just Retirement Ltd

Legal & General Investment Management (DC Section and AVCs)

Pension Insurance Corporation PLC

Schroder Investment Management (Luxembourg) S.A.

CUSTODIANS

JP Morgan Chase Bank NA

The Bank of New York Mellon (International) Ltd

PROPERTY VALUER

BNP Paribas Real Estate UK

DC SECTION ADMINISTRATOR

Legal & General Assurance Society Ltd

PARTICIPATING EMPLOYERS

The Participating Employers comprise two Statutory Training Boards, CITB and ECITB, and five Companies, which are charities or commercial enterprises and, along with some wholly-owned subsidiaries, are the Successor Bodies that have replaced former Statutory Training Boards.

The Participating Employers at the scheme year-end, each of which must be a Statutory Training Board or a Successor Body to a Training Board, are shown below.

On 28 January 2021, Science, Engineering and Manufacturing Technologies (SEMTA) changed its name to Enginuity.

After the year-end on 29 April 2021:

- Cogent SSC Limited was replaced as a Principal Successor Body by its parent company, Cogent Skills Limited; and
- Cogent (Telford) Limited ceased participation in the Funds and its pension liabilities were taken on by Cogent Skills Limited.

Following these changes, Cogent SSC Limited remained a participating employer, as a Subsidiary Successor Body, until 28 July 2021 when its participation in the Funds ceased and its pension liabilities were taken on by Cogent Skills Limited.

CAPITB LIMITED

COGENT SSC LIMITED

Participating Group Companies:

Cogent Skills Services Limited

Cogent Skills Training Limited

Cogent (Telford) Limited

Science Industry Assessment Service Limited

CONSTRUCTION ITB

ENGINEERING CONSTRUCTION ITB

ENGINUITY (formerly known as SEMTA)

Participating Subsidiary:

Excellence, Achievement and Learning Limited

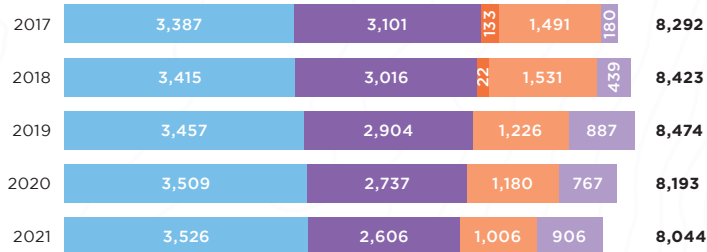
LANTRA

SCOTTISH ELECTRICAL CHARITABLE TRAINING TRUST

5 Year Summary

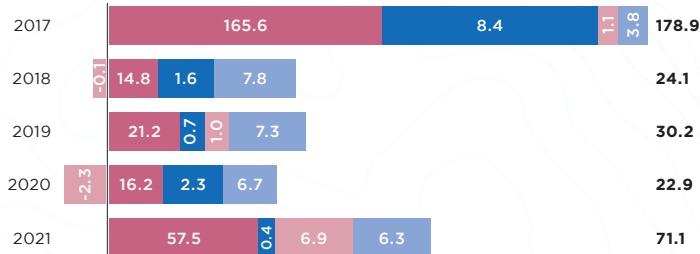
OPEN FUND

Membership



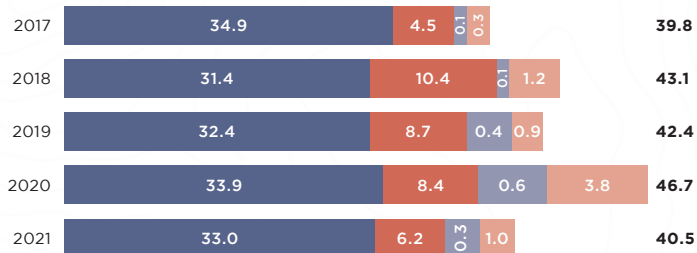
KEY: PENSIONERS & DEPENDANTS (DB) DEFERRED (DB)
ACTIVE (DB) ACTIVE (DC) DEFERRED (DC)

DB & DC Sections Income (£m)



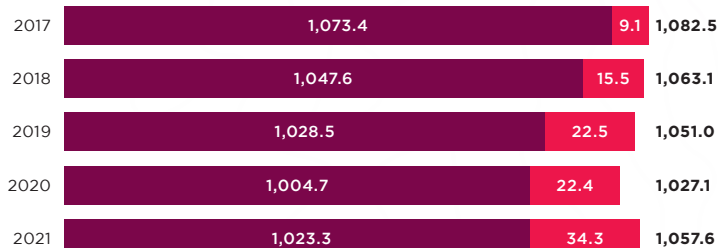
KEY: INVESTMENT (DB) CONTRIBUTIONS (DB)
INVESTMENT (DC) CONTRIBUTIONS (DC)

DB & DC Sections Expenditure (£m)



KEY: BENEFITS (DB) OTHER (DB)
BENEFITS (DC) OTHER (DC)

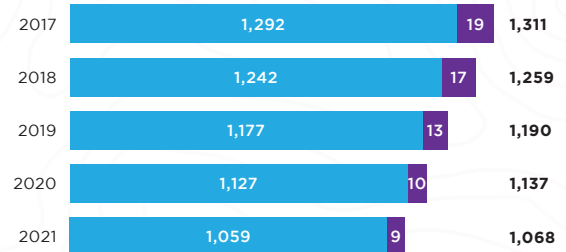
DB & DC Sections Fund Value (£m)



KEY: OPEN FUND (DB SECTION) OPEN FUND (DC SECTION)

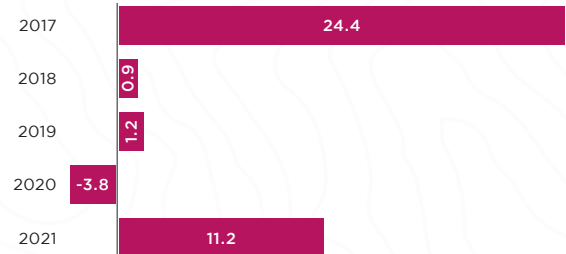
CLOSED FUND

Membership



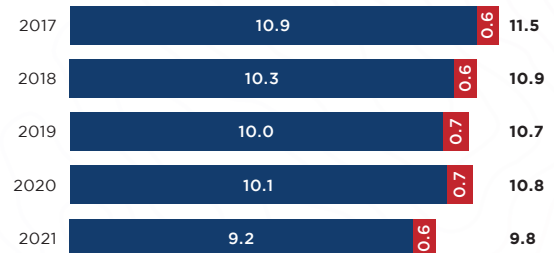
KEY: PENSIONERS & DEPENDANTS DEFERRED

Income (£m)



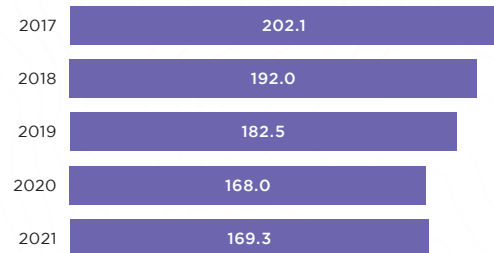
KEY: INVESTMENT

Expenditure (£m)



KEY: BENEFITS OTHER

Fund Value (£m)



KEY: CLOSED FUND

Summary Funding Statements

THE ITB PENSION FUNDS (OPEN FUND DB SECTION)

Summary Funding Statement for the period ending 31 March 2020

In this statement the ITB Pension Funds' Trustees, who look after the ITB Pension Funds (Open Fund DB Section) ("the Scheme"), provide a recap of the funding position reported by the 31 March 2019 actuarial valuation and an update of the estimated funding position as at 31 March 2020. Essentially, this is to provide a more up to date snapshot of the financial position of the Scheme, based on values of the Scheme's assets and liabilities that have been provided by the Scheme Actuary.

The latest ongoing funding valuation

The most recent funding valuation of the Scheme was carried out as at 31 March 2019. This showed that, excluding buy-in policies but including the Defined Contribution section, the funding position was as follows:

| | |
|------------------------|-----------------------|
| ASSETS | £507.2 MILLION |
| LIABILITIES | £485.9 MILLION |
| FUNDING SURPLUS | £21.3 MILLION |
| FUNDING LEVEL | 104% |

What if the Scheme started to wind up?

The estimated amount as at 31 March 2019 needed to ensure that all members' benefits, excluding those insured under the buy-in policies, could have been paid in full if the Scheme had started winding-up (full solvency) was £584.6 million. Therefore, the Scheme was 87% funded on a full solvency basis as at 31 March 2019. Inclusion of this information is a standard requirement and is not related to any consideration of the Trustees to wind-up the Scheme.

Change in funding position

The Scheme Actuary carried out an interim review of the Scheme at 31 March 2020 to assess how the Scheme's funding position had changed over the previous year. The review showed that despite the impact of the coronavirus pandemic on financial markets, the estimated funding surplus increased from £21.3 million to £47.7 million between 31 March 2019 and 31 March 2020. This was due to a favourable net outcome from the combined effects of changes in market conditions and investment returns over the year to 31 March 2020.

However, the £47.7 million surplus reported by the review is before considering the impact on the funding position of the November 2020 announcement that the Retail Prices Inflation index will, from 2030, be calculated using an alternative method which is based on the Consumer Price Index including owner occupiers' housing costs. The Scheme Actuary has estimated that using a more realistic measure, which reflects the impact of this, the funding surplus at 31 March 2020 would have been around £10 million.

PAYMENT TO THE PARTICIPATING EMPLOYERS

There has not been any payment to the Participating Employers out of Scheme funds during the year to 31 March 2020.

HOW THE SCHEME OPERATES

How is my pension paid for?

The Participating Employers and employees have historically paid contributions into the Scheme so that it can pay pensions to its members when they retire. There are no longer any contributing members and, since the end of 2019, the valuation surplus has been sufficient for there to be no need for the Employers to pay in any regular contributions.

Benefits payable to the Scheme's pensioners are mostly covered by insurance policies, meaning that the payments made to pensioners each month are mostly matched by receipts from the policies. The money to pay for members' pensions is held in a common fund. It is not held in separate funds for each individual.

How is the amount the Scheme needs worked out?

The Trustees obtain regular valuations of the future benefits payable to members. Using this information, the Trustees come to an agreement with the Participating Employers on future contributions.

The importance of the participating employers' support

The Trustees' objective is to have enough money in the Scheme to pay pensions now and in the future. However, success of the Scheme relies on the Participating Employers continuing to support the Scheme because:

- The funding level can fluctuate, and when there is a funding shortfall, the Participating Employers will usually need to put in more money.
- The target funding level may turn out not to be enough and the Participating Employers will need to put in more money to make up the difference.

What is the Scheme invested in?

The Trustees' strategic target (which will be subject to periodic variation) is to invest in a broad range of assets subject to asset class targets, which at 31 March 2020 were as follow:

| | |
|---|------------|
| GLOBAL EQUITIES | 2% |
| INVESTMENT GRADE CREDIT | 9% |
| BONDS/LIABILITY DRIVEN INVESTMENTS | 33% |
| BUY-IN INSURANCE POLICIES | 56% |



Summary Funding Statements (continued)

THE ITB PENSION FUNDS (OPEN FUND DB SECTION)

THE PENSIONS REGULATOR

The Pensions Regulator reviews funding of defined benefit pension schemes and has powers to direct matters affecting the funding of the Scheme in certain circumstances. No such directions have ever been made in relation to the Scheme.

WHERE CAN I GET MORE INFORMATION?

Please contact us if you have any questions or, would like any more information. Our address is 23 King Street, Watford, Herts. WD18 OBJ; email pensions@itbpen.com; telephone 01923 226264.

Shown below is a list of more detailed documents which are available on request. Some of these can also be found on our website, www.itb-online.co.uk.

- The Statement of Investment Principles: This explains how the Trustees invest the Scheme's assets.
- The Schedule of Contributions: This shows the contributions that Employers and members need to pay to fund the promised benefits.
- The 2020 Annual Report and Financial Statements, which shows the Scheme's net assets and its income and expenditure in the year up to 31 March 2020.
- The full Actuarial Valuation report as at 31 March 2019 and the Interim Actuarial Review of the Scheme as at 31 March 2020.
- The ITB Open Fund '2007 Section', 'New Section' and 'Old Section' Member Booklets (members should have been provided with a copy of the booklet relevant to their Scheme Section when they joined the Scheme, but a further copy can be requested).
- An Annual Benefit Statement: If you are not getting a pension from the Scheme (and have not received a benefit statement in the previous 12 months) you can ask for a statement that provides an illustration of your likely pension.

IMPORTANT: If you are thinking of transferring out of the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action.

THE ITB PENSION FUNDS (CLOSED FUND)

Summary Funding Statement for the period ending 31 March 2020

In this statement the ITB Pension Funds' Trustees, who look after the ITB Pension Funds (Closed Fund) ("the Scheme"), provide a recap of the funding position reported by the 31 March 2018 actuarial valuation and an update of the estimated funding position as at 31 March 2020. Essentially, this is to provide a more up to date snapshot of the financial position of the Scheme, based on values of the Scheme's assets and liabilities that have been provided by the Scheme Actuary.

The latest ongoing funding valuation:

The most recent funding valuation of the Scheme was carried out as at 31 March 2018. This showed that the funding position was as follows:

| | |
|-----------------|---------------|
| ASSETS | £75.5 MILLION |
| LIABILITIES | £36.6 MILLION |
| FUNDING SURPLUS | £38.9 MILLION |
| FUNDING LEVEL | 206% |

In April 2011, the Trustees insured the Scheme's benefits through an insurance policy. This policy provides payments to the Scheme that are intended to cover most of the benefit payments to members. The funding position reported above excludes the insurance policy asset, and the liabilities covered by it, to the extent that they offset each other.

As a result of the valuation surplus, no Employer contributions were paid into the Scheme. The Trustees decided to use some of the surplus to increase members' benefits in early 2019.

What if the Scheme started to wind up?

Had the Scheme started to wind-up on 31 March 2018, the Scheme Actuary assessed that the assets would have been sufficient to meet the liabilities of the Scheme in full on a solvency basis at that date. This assessment is based on the understanding that the terms of the Trustees' insurance policy would remain appropriate in a wind-up. Inclusion of this information is a standard requirement and is not related to any consideration of the Trustees to wind-up the Scheme.

Change in funding position

The Scheme Actuary carried out an interim review of the Scheme at 31 March 2020 to assess how the Scheme's funding position had changed over the previous year.

The interim review showed that despite the impact of the coronavirus pandemic on financial markets, the estimated funding surplus had increased from £32.2 million to £34.2 million between 31 March 2019 and 31 March 2020. This was mainly due to an insurer insolvency reserve not being drawn upon during the year and a better than assumed outcome for the amount by which insurer receipts exceeded benefit payments.

PAYMENT TO THE EMPLOYERS

There has not been any payment to the Employers out of Scheme funds during the year to 31 March 2020.

HOW THE SCHEME OPERATES

How is my pension paid for?

The Employers and employees have historically paid contributions to the Scheme so that it can pay pensions to its members when they retire. There are no longer any contributing members in the Scheme, and no regular contributions are being received.

Benefits payable by the Scheme are expected to be fully covered by an insurance policy, meaning that the receipts from the policy are expected to be sufficient to fully meet benefit payments each month. The Scheme only needs to ensure it has enough assets to cover any shortfalls between the policy receipts and payments of benefits and expenses. The money to pay for members' pensions is held in a common fund. It is not held in separate funds for each individual.

How is the amount the Scheme needs worked out?

The Trustees obtain regular valuations of the future benefits payable to members. Using this information, the Trustees assess whether the Scheme is adequately funded and if any further action is needed.

What is the Scheme invested in?

The majority of the Scheme's assets are held in the insurance policy. The remaining funds are invested in an appropriately diversified range of assets which, as at 31 March 2020, targeted an asset allocation as follows:

| | |
|-------------------------------|-----|
| GLOBAL EQUITIES | 15% |
| CORPORATE BONDS | 15% |
| INDEX-LINKED GOVERNMENT BONDS | 70% |

THE PENSIONS REGULATOR

The Pensions Regulator reviews funding of defined benefit pension schemes and has powers to direct matters affecting the funding of the Scheme in certain circumstances. No such directions have ever been made in relation to the Scheme.

WHERE CAN I GET MORE INFORMATION?

Please contact us if you have any questions or, would like any more information. Our address is 23 King Street, Watford, Herts. WD18 OBJ; email pensions@itbpen.com; telephone 01923 226264.

Shown below is a list of more detailed documents which are available on request. Some of these can also be found on our website, www.itb-online.co.uk.

- The Statement of Investment Principles: This explains how the Trustees invest the Scheme's assets.
- The 2020 Annual Report and Financial Statements, which shows the Scheme's net assets and its income and expenditure in the year up to 31 March 2020.
- The full Actuarial Valuation report as at 31 March 2018 and the Interim Actuarial Review of the Scheme as at 31 March 2020.
- If you are not getting a pension from the Scheme you can ask for a statement that provides an illustration of your likely pension.

IMPORTANT: If you are thinking of leaving the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action.

Financial Summary 2021

| | Closed Fund £'000 | Open Fund DB £'000 | Open Fund DC £'000 |
|---|-------------------|--------------------|--------------------|
| Value of the funds at 31 March 2020 | 167,957 | 1,004,694 | 22,469 |
| Contributions | - | 369 | 6,184 |
| Transfers from other schemes | - | - | 89 |
| Income from investments | 9,398 | 37,685 | - |
| Other income | - | 31 | - |
| Total income | 9,398 | 38,085 | 6,273 |
| Pensions, benefits and other payments | (9,212) | (32,981) | (596) |
| Transfer values paid | (51) | (5,149) | (631) |
| Administration expenses | (584) | (1,073) | (105) |
| Pension levy | (3) | (27) | (3) |
| Total expenditure | (9,850) | (39,230) | (1,335) |
| Income less expenditure for the year | (452) | (1,145) | 4,938 |
| Net change in market value of investments | 1,812 | 19,780 | 6,912 |
| Value of the Funds at 31 March 2021 | 169,317 | 1,023,329 | 34,319 |

Investment Governance

The Pensions Act 1995 sets out requirements for trustees of pension schemes to prepare and maintain a written statement of the principles that govern decisions about scheme investments. While the ultimate power and responsibility for deciding investment policy rests solely with the trustees, they must obtain and consider the written advice of a qualified investment adviser and consult the employer. The Funds' Statements of Investment Principles (SIPs) can be viewed on the ITB website, www.itb-online.co.uk, or can be obtained by requesting a copy from the Funds' Office.

Investment strategy is reviewed at least every three years, when the results of full triennial actuarial valuations are known, and will be reviewed more frequently if necessary. The strategy is monitored each quarter by the Investment Committee, which reports quarterly to the Trustee Board.

The Pensions Regulator has issued investment guidance on the governance of defined benefit pension schemes investment. The Trustees consider that the Funds are currently in compliance with this guidance

and have integrated its principles into working practices and procedures. The Trustees have also reviewed the Pensions Regulator's Code of Practice No.13 - Governance and administration of occupational defined contribution trust-based pension schemes. The code sets out the standards of conduct and practice that is expected of trustee boards in complying with their duties in relation to running a DC scheme. The Trustees consider that the Funds are compliant with the code.

The Trustees have produced a SIP Implementation Statement which sets out how, and the extent to which, the Trustees followed the Funds' SIPs during the year to 31 March 2021, as well as details of their reviews of the SIPs, the changes that were made as a result and the reasons for those changes. The Statement also includes a description of the voting processes of the Funds' investment managers and describes how the managers exercised the Funds' voting rights during the year.

The SIP Implementation Statement should be read in conjunction with the SIPs. It can be viewed on the ITB website, www.itb-online.co.uk.

Chairman's Annual Governance Statement

FOR THE YEAR ENDED 31 MARCH 2021

INTRODUCTION

This statement has been prepared by the Trustees to demonstrate how the Funds have complied with the governance standards introduced under the Occupational Pension Schemes (Charges and Governance) Regulations 2015. It covers the scheme year to 31 March 2021 and six key areas relating to the Open Fund Defined Contribution Section (DC Section):

1. The investment strategy relating to the DC default investment arrangement
2. The financial transactions made within the DC Section
3. The charges and transaction costs within the DC Section
4. The Trustees' compliance with knowledge and understanding requirements
5. Appointment of Trustees
6. Membership engagement

Where applicable, this statement also applies to the Additional Voluntary Contribution (AVC) arrangements.

1. DC DEFAULT INVESTMENT ARRANGEMENT

The DC Section is currently invested in various funds offered by Legal & General Assurance Society Limited (L&G). Members who join the DC Section and who do not choose an investment option are placed into a default arrangement called ITB Drawdown. This is a lifestyle fund that targets income drawdown at retirement and automatically switches investments to a progressively lower risk investment strategy from 15 years before retirement. The Trustees' objective in relation to the default arrangement is to grow members pots materially above inflation whilst they are far from retirement, and then to gradually reduce investment risk as members become close to retirement, targeting an allocation which the Trustees consider appropriate for a member intending to drawdown in retirement.

The Trustees are responsible for investment governance, which includes setting and monitoring the investment strategy for the default arrangement.

The Trustees have adopted a Statement of Investment Principles (SIP) which covers both the DB and DC sections of the Open Fund. The latest DC Section SIP, dated 26 May 2021, is reproduced in the schedule to this statement. It sets out the investment principles for the DC funds, including a detailed description of the default arrangement and the Trustees' objectives and policies in relation to it.

In November 2019 the Trustees, after considering advice from the Funds' investment adviser, decided to disinvest from the Aberdeen Standard Global Absolute Return Strategies Fund (GARS Fund), which formed part of the lifestyle funds, including the default fund, and was also available as a self-select fund, and to re-allocate these assets to the L&G Multi Asset Fund. This decision was reached mainly because the GARS Fund had not met its investment objective over the long-term. The reallocation to the L&G Multi Asset Fund was implemented in April 2020.

The last full review of the DC Section investment strategy and performance, including the default arrangement, was conducted on 6 November 2020. The next full review is scheduled for November 2023.

The outcome of the November 2020 review was that it was concluded that the lifestyle strategy targeting drawdown at retirement remained appropriate for achieving the default arrangement's objective and that the self-select range of funds offered a sufficiently broad range of options to members. However, after considering advice from the Trustees' investment consultant, it was decided to amend the equity component of the default fund arrangement in order to address the potential impact of climate change on members' investments and remove a bias to UK equities relative to market capitalisation weights.


The amendments were implemented to the default fund arrangements after the financial year end, in July 2021, by replacing the L&G Global Equity Market Weights 30:70 Index Fund with the L&G Low Carbon Transition Fund, which is a climate-tilted equity fund that seeks to reduce exposure to carbon emissions over time and has a geographic allocation broadly aligned with market capitalisation weights. Also, in July 2021, the L&G Low Carbon Transition Fund was added to the self-select investment fund range and replaced the L&G Global Equity Market Weights 30:70 Index Fund in the Cash and Annuity lifestyle strategies available to DC and AVC members.

In addition to the full strategy review, the performance of funds in the default arrangement is reviewed each quarter. The reviews that took place during the year concluded that the funds are performing broadly as expected, consistent with the Trustees' targets and other objectives.

2. FINANCIAL TRANSACTIONS

This section explains how, during the scheme year the Trustees monitored that core financial transactions of the DC Section were processed promptly and accurately. Core financial transactions include the investment of contributions, transfers out, fund switches, and payments out, both to and in respect of members. These transactions are undertaken on the Trustees behalf by the Funds' DC platform provider, L&G, under a policy to administer the Funds' DC Section.

The Trustees worked closely with the participating employers to help them understand their responsibilities as regards contributions and sharing information about members. Staff at the ITB Pension Funds (the Funds Office) were in regular communication with the employers about the detail of their obligations in respect of the DC Section. The Funds Office was notified by the participating employers of the various percentages of employer and employee contributions due and performed reconciliations to ensure the correct payments were deducted. All contributions deducted from members' pay by the participating employers were paid to L&G by the end of the first week following the end of the calendar month in which they were taken from members' pay. This was well within the legislative requirement. L&G invested the contributions in funds within 24 hours following receipt of contributions, well within the period expected by The Pensions Regulator.

The Trustees obtained and reviewed administration reports each quarter. The reports showed L&G's performance against service level agreements (SLAs) 

Chairman's Annual Governance Statement (continued)

FOR THE YEAR ENDED 31 MARCH 2021

for processing all core financial transactions. The SLA's are comprehensive and cover the processing of joiner and contribution files, allocating contributions to investments, investment switches, issuing maturity and leaver packs, issuing quotes for events like retirement, ill health and transfers, and customer enquiries.

The Trustees also reviewed the AAF 01/06 Assurance Reports on Internal Controls issued during the year by L&G Investment Management and by L&G Assurance Society Ltd. These reports provide independent assurance on the strength of the systems and controls operating within the investment manager and the administrator of the DC funds.

Staff at the ITB Pension Funds reconciled L&G's quarterly reports to monthly contribution summaries supplied by the participating employers to monitor whether contributions had been processed accurately. Any identified errors were rectified quickly and processes at L&G and the employers were reviewed to help prevent further similar errors. There were no contributions paid into the DB Section AVC arrangements during the year.

The staff at the ITB Pension Funds liaised with the administrator each month about the service levels to identify any systemic administration issues that might affect members' interests. Transfers out, fund switches and payments out, both to and in respect of members, were processed by L&G, on behalf of the Trustees. The promptness of processing these transactions was monitored by the Trustees through the service level performance reporting each quarter. The accuracy of processing these transactions was monitored by the Funds Office, which reconciled L&G's advance notice of the transactions to separate fund accounting reports.

The Trustees' review of SLA performance identified no substantive issues during the scheme year for contribution allocations, individual transfers in and investment switches, as over 99.9% of cases in each of these categories was processed within the SLA target. Of the 36 transfer out payments in the year, 11 were processed within the 5 working days SLA target, but 25 were processed after it. For these 25, the average number of days outside the SLA was 10 days. There were 29 lump sum retirement

payments, 13 of which were processed within the 5 working days SLA and 16 processed outside of it by an average of 4 working days each. Of the 5 surrender payments, 2 were processed within the 5 working days SLA target and 3 outside of it by an average of 8 working days each. The coronavirus pandemic contributed to L&G having a relatively high number of transfer outs, lump sum retirements and surrenders processed outside the SLA. The Trustees have been actively engaging with L&G to improve the SLA performance in these areas.

L&G has processes in place to help meet the SLAs, for example the dedicated L&G contributions team performed a daily contribution data reconciliation for all contribution payments received. L&G also performed daily automatic reconciliations of investment fund units purchased and sold within its fund reconciliation process controls. These reconciliations ensured that all units purchased and sold are recorded against a member's record.

The Trustees reviewed the DC Section's governance processes and internal controls each quarter and were satisfied that the processes and controls were consistent with The Pensions Regulator's DC Code of Practice No. 13.

Based on the above, the Trustees are satisfied that the core financial transactions relating to the DC Section and AVCs have been processed accurately during the scheme year and that for transactions processed outside service levels, the volume and delays were not excessive given the exceptional circumstances that prevailed during 2020/21.

3. MEMBER BORNE CHARGES AND TRANSACTION COSTS

The level of annual charges (as measured by the total expense ratio (TER), which includes L&G's platform fee of 0.30% pa, but not transaction charges) for the lifestyle options, including the current default arrangement, are as shown below in Table 1. The annual charges varied according to the mix of assets, which begins to change from when members are 15 years from retirement. Shown in the table below is the annual charge before 15 years to retirement and the annual charges at five-yearly intervals within the period from 15 years to retirement.

Table 1: Annual charges for lifestyle options

| PERIOD TO RETIREMENT: | MORE THAN 15YRS %PA | 15 YRS %PA | 10 YRS %PA | 5 YRS %PA | 0 YRS %PA |
|-------------------------------------|---------------------|------------|------------|-----------|-----------|
| Drawdown Lifestyle (Default Option) | 0.44 | 0.44 | 0.43 | 0.43 | 0.42 |
| Annuity Lifestyle | 0.44 | 0.44 | 0.43 | 0.42 | 0.39 |
| Cash Lifestyle | 0.44 | 0.44 | 0.43 | 0.43 | 0.39 |

From July 2021, due to the L&G Global Equity Market Weights 30:70 Index Fund being replaced by the L&G Low Carbon Transition Fund, annual charges for the Drawdown Lifestyle default option changed to: More than 15 years 0.39% pa; 15 years 0.39% pa; 10 years 0.41% pa; 5 years 0.42% pa; 0 years 0.42% pa.

The level of annual charges (as measured by the total expense ratio (TER), which includes L&G's platform fee of 0.30% pa, but not transaction charges) for the self-select funds were as shown below in Table 2.

Table 2: Annual charges for self-select funds

| FUND | %PA |
|---|------|
| Over 5 Years Index-Linked Gilt Fund | 0.38 |
| Over 15 Years Gilts Index Fund | 0.38 |
| AAA-AA-A Corp Bond Over 15 Years Index | 0.42 |
| Global Equity Market Weights 30:70 Index Fund | 0.44 |
| Ethical Global Equity Index Fund | 0.60 |
| HSBC Islamic Global Equity Index Fund | 0.65 |
| Multi Asset Fund | 0.43 |
| Cash Fund | 0.39 |

From July 2021, a currency unhedged version of the L&G Low Carbon Transition Fund, which has an annual charge of 0.37%pa, was added to the self-select fund range.

The Investment Manager, L&G, has provided transaction costs information for the DC Section funds. Table 3 below sets out annual average transaction costs for the lifestyle options (including the default arrangement) and Table 4 sets out annual average transaction costs for the self-select funds. Transaction costs were borne by members.

Explicit costs are those directly charged to or paid by the fund, e.g. taxes, levies and broker commissions, whereas implicit costs are costs such as differences between selling and buying prices (spreads) which may vary depending on market liquidity and the size of transaction. Implicit costs are calculated on the 'slippage' basis, as recommended by the Financial Conduct Authority. Under this basis negative implicit costs can arise when the actual price paid ends up being lower than the mid-market price at the time of placing an order.

Table 3: Transaction costs for lifestyle options


| PERIOD TO RETIREMENT: | ANNUAL AVERAGE TO 31 MARCH 2021 | | | | |
|--|---------------------------------|------------|------------|-----------|-----------|
| | MORE THAN 15YRS %PA | 15 YRS %PA | 10 YRS %PA | 5 YRS %PA | 0 YRS %PA |
| Drawdown Lifestyle (Default Option) | 0.03 | 0.03 | 0.03 | 0.03 | 0.02 |
| Annuity Lifestyle | 0.03 | 0.03 | 0.03 | 0.03 | 0.02 |
| Cash Lifestyle | 0.03 | 0.03 | 0.03 | 0.03 | 0.00 |

Table 4: Transaction costs for self-select funds

| FUND | YEAR TO 31 MARCH 2021 | | | ANNUAL AVERAGE TOTAL* %PA |
|---|-----------------------|--------------|-----------|---------------------------|
| | EXPLICIT %PA | IMPLICIT %PA | TOTAL %PA | |
| Over 5 Years Index-Linked Gilt Fund | 0.00 | 0.02 | 0.02 | 0.06 |
| Over 15 Years Gilts Index Fund | 0.00 | 0.00 | 0.00 | 0.01 |
| AAA-AA-A Corp Bond Over 15 Years Index | 0.00 | 0.01 | 0.01 | 0.00 |
| Global Equity Market Weights 30:70 Index Fund | 0.02 | 0.02 | 0.04 | 0.04 |
| Ethical Global Equity Index Fund | 0.02 | -0.02 | 0.00 | 0.00 |
| HSBC Islamic Global Equity Index Fund | 0.03 | 0.00 | 0.03 | 0.06 |
| Multi Asset Fund | 0.01 | 0.02 | 0.03 | 0.03 |
| Cash Fund | 0.00 | -0.01 | -0.01 | 0.00 |

* The Annual Average Total transaction costs have been provided by the investment manager, L&G. They are based on the average costs over the 5 years to 31 March 2021 or, where data was available for fewer than 5 years, the average costs over the maximum number of years up to 31 March 2021 for which data was available.

The Trustees have prepared the following illustrative example of the cumulative effect of costs and charges incurred by members, which has been prepared in accordance with statutory guidance. The charges and

costs deducted are the charges and transaction costs set out in tables 1 to 4 above. The funds illustrated include the most popular, the funds with the highest and lowest expected return and highest and lowest total charges. 

Chairman's Annual Governance Statement (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Table 5: Projected pension pot in today's money

| Yrs | FUND CHOICE | | | | | | | | | | | | | |
|-----|---------------------------|------------------------------------|--|------------------------------------|----------------|------------------------------------|---------------------------|------------------------------------|--------------------------------|------------------------------------|-----------------------|------------------------------------|---------------------|------------------------------------|
| | "MOST POPULAR" | | "MOST POPULAR, AGE 50, RETIRING AT 65" | | "POPULAR" | | "HIGHEST EXPECTED RETURN" | | "LOWEST EXPECTED RETURN" | | "HIGHEST COST" | | "LOWEST COST" | |
| | Default Fund Growth Phase | | Default Fund at Age 50 Retiring at 65 | | Multi Asset | | Global Equity | | Over 5 Year Index-Linked Gilts | | Islamic Global Equity | | Over 15 Years Gilts | |
| | Before charges | After all charges + costs deducted | Before charges | After all charges + costs deducted | Before charges | After all charges + costs deducted | Before charges | After all charges + costs deducted | Before charges | After all charges + costs deducted | Before charges | After all charges + costs deducted | Before charges | After all charges + costs deducted |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| 1 | 19,905 | 19,837 | 19,898 | 19,831 | 19,798 | 19,733 | 19,951 | 19,882 | 19,255 | 19,193 | 19,934 | 19,831 | 19,255 | 19,199 |
| 3 | 31,311 | 31,025 | 31,251 | 30,967 | 30,881 | 30,607 | 31,497 | 31,205 | 28,765 | 28,521 | 31,428 | 30,993 | 28,765 | 28,546 |
| 5 | 43,069 | 42,450 | 42,871 | 42,259 | 42,164 | 41,578 | 43,462 | 42,828 | 37,843 | 37,345 | 43,316 | 42,375 | 37,843 | 37,397 |
| 10 | 74,074 | 72,083 | 72,882 | 70,953 | 71,273 | 69,431 | 75,311 | 73,255 | 58,773 | 57,381 | 74,850 | 71,820 | 58,773 | 57,525 |
| 15 | 107,524 | 103,314 | 101,562 | 97,730 | 101,715 | 97,903 | 110,132 | 105,741 | 77,403 | 74,823 | 109,157 | 102,737 | 77,403 | 75,087 |
| 20 | 143,613 | 136,228 | N/A | N/A | 133,552 | 127,009 | 148,201 | 140,426 | 93,988 | 90,007 | 146,482 | 135,198 | 93,988 | 90,413 |
| 25 | 182,548 | 170,916 | N/A | N/A | 166,848 | 156,762 | 189,823 | 177,459 | 108,751 | 103,225 | 187,088 | 169,281 | 108,751 | 103,785 |
| 30 | 224,554 | 207,473 | N/A | N/A | 201,669 | 187,177 | 235,327 | 216,999 | 121,893 | 114,733 | 231,265 | 205,068 | 121,893 | 115,454 |
| 35 | 269,874 | 246,001 | N/A | N/A | 238,086 | 218,269 | 285,077 | 259,215 | 133,591 | 124,751 | 279,328 | 242,643 | 133,591 | 125,636 |
| 40 | 318,768 | 286,604 | N/A | N/A | 276,171 | 250,052 | 339,469 | 304,289 | 144,005 | 133,472 | 331,617 | 282,095 | 144,005 | 134,521 |

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. The starting pot size is assumed to be £14,331 – the median pot size as at 31 March 2021.
3. Inflation is assumed to be 2.5% each year.
4. It is assumed the current average level of contributions of £5,314 pa is made each year.
5. There are no charges levied on contributions.
6. Values shown are estimates and are not guaranteed.

7. The projected growth rates for each fund or arrangement are as follows:

Default Fund Growth Phase: 1.53% above inflation
 Default arrangement at Age 50 and retiring at 65: between 0.10% and 1.49% above inflation
 Multi Asset: 0.9% above inflation
 Global Equity: 1.8% above inflation
 Over 5 Year Index-Linked Gilts: 2.3% below inflation
 Islamic Global Equity: 1.7% above inflation
 Over 15 Years Gilts: 2.3% below inflation
 Cash: 2.3% below inflation

It is an objective of the Trustees that members receive value for money, as small differences in charges can have a major impact on the size of members' pension funds by the time they retire. In order to meet this objective, a value for members assessment of the DC arrangements is carried out by the Trustees' investment consultant each year. The latest annual assessment, conducted on 6 November 2020 as part of the triennial DC strategy review, concluded that given the size of the DC Section, the fees members pay are good value. The Trustees considered the extent to which the cost of membership compares against the services and benefits provided by the DC Section, which include scheme governance and management, investment, administration and communications services. The assessment recognised that the only charges borne by members are the charges deducted from the funds (i.e. the TERs shown above, plus transaction costs), while the charges for all other services are borne by the participating employers. The assessment had particular regard to the services funded by member-borne charges, in particular the investment, platform, administration and communication services provided by L&G, which were felt to be good relative to the charges. These assessments were made after considering the advice of the Trustees' investment consultant on the level of

TERs based on their knowledge of the market as a whole, that members only pay the direct cost charged for the investment funds (which includes the L&G platform charge of 0.30% pa) and all other services are paid for directly by employers. In addition, the other costs and charges borne by employers are kept as low as possible by rigorous budgetary control and the charges borne by members are well below the government 'charge cap' of 0.75% pa in respect of default funds.

4. TRUSTEE KNOWLEDGE AND UNDERSTANDING

The Trustees are expected to meet the requirements for knowledge and understanding, as set out in s247 of the Pensions Act 2004 pertaining to individual Trustees, i.e. that they are conversant with key documents relating to the Funds, and have knowledge and understanding of pensions and trust law and the principles of funding and investment. This section describes the policies and programmes in place (including during the scheme year) to ensure these knowledge and understanding requirements are met, and specific steps taken during the year.

The Trust Deed & Rules provide for the Funds to be governed by a board of 14 Trustees, consisting of seven Employer Nominated, five Member Nominated and two Pensioner Nominated Trustees. As at 31 March 2021 there were four Members' Trustees with one vacancy, which was filled shortly after the year-end. Each Trustee serves for a fixed three-year term and can be re-appointed following each term. As at 31 March 2021, the average period of service as a Trustee is 8 years – 6 Trustees have been in office for 6 years or less, whilst 5 Trustees, including the Chair and the Deputy Chairs, have been in office for 10 years or more. There is a wide spectrum of trustee experience and, therefore, the training programme both keeps the experienced Trustees up to date with pension developments and gives newer Trustees a basis, in line with the minimum requirements, on which to develop their knowledge and experience.

The training programme comprises the following elements:

- All new Trustees attend an induction programme that introduces the Trust Deed and Rules, Statement of Investment Principles, Statement of Funding Principles and other Funds policy documents, for example the Funds' Management of Conflicts of Interest policy. This programme was completed by all new Trustees appointed during the scheme year.
- Every year, each Trustee completes a training needs self-assessment. The Funds Office uses this, and any other feedback provided by the Trustees on their knowledge and skills, to identify areas where training is required and to prepare a training plan for each Trustee.
- The Funds also provide access to an ITB Funds Trustee website on which all key documentation can be accessed and Trustees are encouraged to maintain a good working knowledge of those documents. The documents include the Trust Deed and Rules, Statement of Investment Principles and Statement of Funding Principles. The website also includes links to training course providers and the Pensions Regulator's e-learning course, the Trustee Toolkit, which all Trustees have completed.
- The papers for quarterly Trustee meetings included legal updates specifically prepared for the Funds, with the legal advisers present to discuss any questions raised by the Trustees.
- A formal training session is usually provided following each quarterly Trustee meeting, that is attended by all Trustees. Sessions during the scheme year included an update on the draft Pensions Bill, RPI reform and audit of pension schemes. Significant training is also provided in the form of formal briefings and training provided at Trustee and Investment Committee meetings. This year all Trustees received a briefing on transfer and trivial commutation factors.
- Trustees have completed the Scam Module of the Trustee Toolkit to increase their awareness of pension scams and understand the processes that the Regulator expects to be in place to protect Fund members from being scammed. This is one of the steps to be completed for the Funds to achieve a longer-term goal of signing-up to the Regulator's pledge to combat pension scams.
- The Trustees normally have a dedicated training seminar each year at which training is provided by the Funds'

advisers and investment managers. Due to the outbreak of COVID-19, the seminar due to take place in April 2020 was cancelled. An annual training seminar has however since been held, by video-call, after the year-end in July 2021.


All training needs and training received is logged on a central training register that is used by the Funds Office to identify relevant subjects for training, which are then delivered within the framework described above. Each new individual Trustee is required to complete the Trustee Toolkit and other training to meet the minimum requirements for knowledge and understanding.

The combined training, knowledge and understanding of the trustee board, together with the available advice, enables the Trustees to properly exercise their functions. The combined knowledge of the board includes many years of trustee experience and training as described above. Several of the Trustees are current or former senior executives with substantial experience of financial, managerial and governance matters; for example, one Trustee was an HR Director with substantial pensions knowledge; another was Chief Engineer and Technology Director at a major oil company. Trustees are nominated by participating employers, or employees and pensioners of participating employers. This ensures detailed knowledge of the participating employers is available to the board, which is useful for interpreting and understanding advice on employer covenant strength, subject to managing conflicts of interest. The Trustees' combined knowledge and understanding is also enhanced by the support of the Funds Office. The Funds Chief Executive is a Chartered Accountant with 9 years' experience in life insurance and 14 years' experience in the pension industry, the Funds Accountant is also a Chartered Accountant with 23 years' experience in the pension industry, and the Pension Administration Manager has a CII Diploma and 32 years' experience in the pension industry.

The Trustees also have ready access to actuarial advice from the Government Actuary's Department, investment advice from LCP and legal advice from Mayer Brown International. The actuarial and legal advisers attend each Trustee board meeting, and the investment adviser attends each Investment Committee meeting. This independent professional support further enhances the combined knowledge that enables the Trustees to properly exercise their functions.

5. APPOINTMENT OF TRUSTEES

The Funds are a relevant multi-employer scheme under the 2015 Regulations. The Funds are, therefore, subject to a special requirement under Regulation 22, whereby a majority of the Trustees, including the Chair, must be "non-affiliated". For a Trustee to be "non-affiliated", he or she must be appointed through an open and transparent process (OTP); must be independent of the Funds' service providers; and must not have been in office for longer than prescribed periods.

All Trustees, including the Chairman, met the above requirements during the scheme year as explained below, and so were (and still are) non-affiliated. All Trustees were appointed through an OTP. None of the Trustees is (or )

Chairman's Annual Governance Statement (continued)

FOR THE YEAR ENDED 31 MARCH 2021

has in the last five years been) a director, manager, partner or employee of any undertaking which provides advisory, administration, investment or other services for the ITB Pension Funds, or any undertaking which is connected to a service provider. Furthermore, none of the Trustees receive any payment or benefit from any undertaking which provides advisory, administration, investment or other services for the ITB Pension Funds, or any undertaking which is connected to a service provider. Neither do any of the Trustees have any obligations to any such service provider that conflict with their obligations as a Trustee.

None of the Trustees has (since the 2015 Regulations came into force), served for more than 10 years, with no single period in office being more than 6 years. In order to support compliance with Regulation 22, the Trustees have, during the scheme year and over the longer term, made arrangements to ensure that new Trustees are appointed through the process described below, which the Trustees consider to be an OTP. As described below, in relation to Members' Trustees, the process meets the member-nominated trustee requirements under s241(2) Pensions Act 2004 and, in relation to Employers' Trustees appointments are made through reasoned decisions, based on relevant and appropriate criteria, and made through due process, with both the process and the ultimate decision being clearly communicated to interested parties. During the scheme year and over the longer-term, the Trustees have monitored compliance with the conditions as to independence and term of office.

Members' Trustees are nominated and selected by members or by trade unions which represent them, and the Trustees are satisfied that these arrangements meet the OTP requirement.

Employers' Trustees are selected by employers and, to ensure that the OTP requirement is met, the Trustees stipulate that employers should follow certain ground rules when selecting candidates. Under the ground rules, employers must determine the constituency from which Trustees will be selected and the process used to make the selection, which must involve a panel of at least three individuals; notice as to these matters must be given to people in the constituency and to the employer's active members (the "interested parties"); the selection must take account of candidates' fitness and propriety to act as Trustees; the Chairman of Trustees must be consulted as to the proposed appointment; notice as to the final decision must be given to the interested parties; and the employer must confirm to the Trustees that the ground rules have been followed.

As regards non-affiliated Trustees appointed or reappointed during the scheme year, the OTP requirement was met as follows. Richard Capewell, Employer's Trustee for Lantra: Lantra followed the ground rules in making its selection; Joanna Woolf, Employer's Trustee for Cogent SSC: Cogent SSC followed the ground rules in making its selection; Ben Alexander-Dann, Members' Trustee for Enginuity: nomination and selection process was by Enginuity members, consistent with the member-nominated trustee legislation; David Wake, Members' Trustee, CITB: the selection was made by the trade union Unite which represents active members employed by CITB; David Lewis, Members' Trustee for ECITB: nomination and selection was by ECITB members, consistent with the member-nominated trustee legislation; Robert Tabor, Members' Trustee for Lantra: nomination and selection

was by Lantra members, consistent with the member-nominated trustee legislation. David Barnett, Open Fund Pensioner Trustee: re-appointed following a nomination process in which he was the sole nominee of the Open Fund Pensioner members. Maurice Alston, Closed Fund Pensioner Trustee: re-appointed, following a nomination process in which he was the sole nominee of the Closed Fund Pensioner members.

6. MEMBERSHIP ENGAGEMENT

The Trustees encourage members of the Funds to make their views known by operating a website (www.itb-online.co.uk) for the Funds which includes a "feedback" button and contact details. This website is a useful resource for members looking for further information about their pension arrangement including guidance about contributions and how salary sacrifice arrangements operate, benefits available at retirement, investment choices and how to make changes to them. Members can also find the following documents on the website:

- The DC Scheme Member Booklet: This provides practical information about all aspects of DC Scheme membership.
- The Annual Report and Financial Statements, including the Chairman's Statement and Statement of Investment Principles Implementation Statement.
- This annual newsletter, copies of which are distributed to all members who request it (currently 543 members).

DC Section members are provided with access to L&G's secure website from which they can obtain their annual pension statements and other comprehensive documentation and guidance on the Funds' DC section. Through this website members can communicate directly with the L&G administration team.

Engagement with members also takes place through communications with the Pensioners' Association and informally through the Members' Trustees, who frequently discuss pensions matters with workplace colleagues and provide feedback to the Trustee board.

The Trustees believe that the above arrangements are appropriate for the DC Section, having regard to the size, nature and demographic of the membership. In particular, the Trustees are conscious that the DC Section is a relatively small and new arrangement. The contact details of the Funds are as follows:

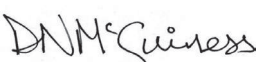
The ITB Pension Funds, 23 King Street, Watford, Herts, WD18 0BJ

Telephone: 01923 226264

E-mail: pensions@itbpen.com

Website: www.itb-online.co.uk

Signed by the Chairman on behalf of the Trustees

Signed: 

Dated: 18 October 2021

David Newell McGuinness (Chairman of Trustees)

Chairman's Statement Schedule

DC SECTION STATEMENT OF INVESTMENT PRINCIPLES – 26 MAY 2021

WHAT IS THE TRUSTEES' OVERALL INVESTMENT OBJECTIVE?

The Trustees recognise that members of the Defined Contribution Section may have differing investment needs. These needs may change during the course of a member's working life and members may have differing attitudes to risk. The Trustees believe that members should make their own investment decisions based on their individual circumstances.

The Trustees' investment objective is, therefore, to make available a range of pooled investment funds which serve to meet in general the varying investment needs and risk tolerances of the members of the Defined Contribution Section.

WHAT RISKS DO THE TRUSTEES CONSIDER AND HOW ARE THESE MEASURED AND MANAGED?

The Trustees have considered risk for the Defined Contribution Section from a number of perspectives, including, but not limited to, those set out below. Some of the risks are more quantifiable than others, but the Trustees have tried to allow for the relative importance and magnitude of each risk.

Risk of Inadequate Long-Term Returns

As members' benefits are crucially dependent on the investment returns achieved, it is important that investment vehicles are available which can be expected to produce adequate real returns over the longer term.

Risk of Deterioration in Investment Conditions Near Retirement

For a given amount of money the level of pension secured for a member will depend upon investment conditions at retirement. A sharp deterioration in these conditions in the period just prior to retirement will have a substantial impact in the benefits provided. To protect against this, the Trustees have made a lifestyle strategy, the ITB Drawdown, which targets drawdown at retirement.

Risk of Lack of Diversification and Unsuitable Investments

Within each fund available to members the holdings should be adequately diversified. To achieve this, the Trustees have selected funds which invest in a suitable diversified range of holdings. The Trustees' policy is to make available to members funds which, in normal circumstances, should prove easy to buy and sell.

Risk from Excessive Charges

If the investment management charges together with other charges levied on, for example, transfers or early retirement are excessive then the value of members' accounts will be reduced unnecessarily. The Trustees have, therefore, looked closely at the terms and conditions of the investment manager and are comfortable that the charges applicable to the Open Fund are in line with market

practice and assess regularly whether these represent good value for members.

Investment Manager Risk

This is the risk that the investment manager fails to meet its investment objective. The Trustees monitor the investment manager on a regular basis.

Other Risks

The Trustees recognise that there are other, non-investment, risks within the Defined Contribution Section. Unlike the Defined Benefit Section, these risks fall generally on the individual Defined Contribution Section members rather than on the membership generally and/or the sponsoring employer. Examples of these risks include longevity risk (the risk that insurers expect members to live longer, which increases the cost of securing a pension), and knowledge/understanding risk (the risk that members make inappropriate investment choices, given their circumstances).

WHAT ARE THE INVESTMENT STRATEGY ARRANGEMENTS?

The Trustees have provided to members a range of investment options, having regard to the long-term performance characteristics of various asset classes, in terms of their expected returns and the variability of those returns. Following a review of the strategy in 2020, the Trustees decided to address the potential impact of climate change on members' Defined Contribution investments by changing the equity component of the Open Fund's Defined Contribution lifestyle investment strategies to equity funds which seek to reduce their exposure to carbon emissions over time. The full range of funds that is available is set out on the following page.



Chairman's Statement Schedule (continued)

DC SECTION STATEMENT OF INVESTMENT PRINCIPLES – 26 MAY 2021

Current Fund Range

| MANAGER | FUND NAME | BENCHMARK | TARGET |
|---------|---|---|---|
| L&G | Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged | Composite of 30/70 distribution between UK and overseas, 75% GBP Hedged | To track the benchmark |
| L&G | Ethical Global Equity Index Fund | FTSE4Good Global Equity Index | To track the benchmark to within +/- 0.50% pa for two years in three |
| L&G | Low Carbon Transition Global Equity Index Fund Unhedged | Solactive L&G Low Carbon Transition Global Index | To track the benchmark |
| HSBC | Islamic Global Equity Index Fund | Dow Jones Islamic Titans 100 Index | To track the benchmark |
| L&G | Multi Asset Fund | ABI UK – Mixed Investment 40%-85% Shares Pension Sector | To provide long-term investment growth through exposure to a diversified range of asset classes |
| L&G | AAA-AA-A Corporate Bond (Over 15 Years) Fund | iBoxx £ Non Gilts (ex BBB) Over 15 year Index | To track the benchmark to within +/- 0.50% pa for two years in three |
| L&G | Over 5 Year Index-Linked Gilts Index Fund | FTSE Actuaries UK Index-Linked Gilts (Over 5 Years) Index | To track the benchmark to within +/- 0.25% pa for two years in three |
| L&G | Over 15 Year Gilts Index Fund | FTSE Actuaries UK Conventional Gilts (Over 15 Years) Index | To track the benchmark to within +/- 0.25% pa for two years in three |
| L&G | Cash Fund | 7 Day LIBID | To match the CAPS Pooled Pension Fund median. |

DEFAULT OPTION

The Open Fund also has three lifestyle strategies and the default investment option is a lifestyle strategy which targets income drawdown at retirement. The default option provides an automated investment switching facility, following a pre-selected investment strategy, which will move the funds into lower risk investments as retirement approaches.

Until 15 years prior to each member's selected retirement age, the lifestyle strategy invests in:

- 35% in the L&G Low Carbon Transition Global Equity Index Fund GBP Hedged,
- 35% in the L&G Low Carbon Transition Global Equity Index Fund Unhedged; and
- 30% in the L&G Multi Asset Fund.

Fifteen years prior to each member's selected retirement age, automatic monthly switches commence.

The investment split at each member's target retirement age would be as follows:

- 75% in the L&G Multi Asset Fund; and
- 25% in the L&G Cash fund.

The table opposite outlines how the proportion of portfolio holdings changes in the 15 years up to retirement under the strategy.

It is for each member to decide on their required strategic allocation to each of the available investment funds. The fund range offered also includes three "lifestyle" strategies that automatically combine the investments in proportions that vary according to the proximity to retirement age. Each of the three lifestyle strategies targets a different investment option for members at retirement; income drawdown, a cash lump-sum or the purchase of an annuity. If a member does not choose an investment option, their account will be invested into the default lifestyle option, which targets income drawdown at retirement.

The lifestyle strategies are designed to offer some protection against the risks described above.

WHAT DID THE TRUSTEES CONSIDER IN SETTING THE OPEN FUND'S DEFINED CONTRIBUTION SECTION INVESTMENT STRATEGY ARRANGEMENTS?

In determining the investment arrangements for the DC Section the Trustees took into account:

- the best interests of all members and beneficiaries;
- the profile of the membership and what this is likely to mean for the choices members might make upon reaching retirement;

| YEARS TO RETIREMENT | GLOBAL EQUITIES (GBP HEDGED) (%) | GLOBAL EQUITIES (UNHEDGED) (%) | MULTI-ASSET (%) | CASH (%) |
|---------------------|----------------------------------|--------------------------------|-----------------|----------|
| 15 or more | 35.00 | 35.00 | 30.00 | 0.00 |
| 14 | 32.75 | 32.75 | 34.50 | 0.00 |
| 13 | 30.50 | 30.50 | 39.00 | 0.00 |
| 12 | 28.25 | 28.25 | 43.50 | 0.00 |
| 11 | 26.00 | 26.00 | 48.00 | 0.00 |
| 10 | 23.75 | 23.75 | 52.50 | 0.00 |
| 9 | 21.50 | 21.50 | 57.00 | 0.00 |
| 8 | 19.25 | 19.25 | 61.50 | 0.00 |
| 7 | 17.00 | 17.00 | 66.00 | 0.00 |
| 6 | 14.75 | 14.75 | 70.50 | 0.00 |
| 5 | 12.50 | 12.50 | 75.00 | 0.00 |
| 4 | 10.00 | 10.00 | 75.00 | 5.00 |
| 3 | 7.50 | 7.50 | 75.00 | 10.00 |
| 2 | 5.00 | 5.00 | 75.00 | 15.00 |
| 1 | 2.50 | 2.50 | 75.00 | 20.00 |
| 0 | 0.00 | 0.00 | 75.00 | 25.00 |

- the risks, rewards and suitability of a number of possible asset classes and lifestyle strategies and whether the return expected for taking any given investment risk is considered sufficient given the risk being taken. The main risks considered were inflation risk (the risk that a member's investments fail to keep pace with inflation over the longer term), conversion risk (the risk of a deterioration in the terms available for converting funds into pension at retirement – applicable to the annuity lifestyle), capital risk (the risk of a fall in the amount of cash available to take at retirement), and climate risk (the risk of a fall in the value of investments caused either by direct impacts of changes to the global climate or policy changes to mitigate the effects of climate change);
- the need for appropriate diversification within the default strategy and other lifestyle options to ensure that, for each such option, both the overall level of investment risk and the balance of individual asset risks are appropriate;
- the need for appropriate diversification within the other investment options offered to members;
- the Trustees' investment beliefs about how investment markets work and which factors are most likely to impact investment outcomes.

Some of the Trustees' key investment beliefs are set out below.

- In deciding upon the funds to offer to members, the Trustees' primary asset allocation is the primary driver

of long-term returns;

- risk-taking is necessary to achieve return, but not all risks are rewarded;
- equity and credit are the primary rewarded risks;
- risks that are typically not rewarded should generally be avoided, hedged or diversified;
- investment markets are not always efficient and there may be opportunities for good active managers to add value;
- investment managers who can consistently spot and profitably exploit market opportunities are difficult to find and therefore passive management (which includes a range of rules-based portfolio construction strategies), where available, is usually better value;
- responsible investment in well governed companies and engaging as long-term owners can reduce risk over time and may positively impact Open Fund's returns; and
- costs have a significant impact on long-term performance.

APPOINTMENT OF FUND PROVIDER

The Trustees have appointed one main provider to provide the funds in which the Defined Contribution Section invests. The provider offers funds managed internally and by third party investment managers.

The provider's primary role is to maintain the funds in which the Defined Contribution Section invests. The provider is authorised under the Financial Services and Markets Act 2000 to carry out such activities.

Supplementary Information

INTERNAL DISPUTE RESOLUTION

The Pensions Act 1995 (as amended by the Pensions Act 2004) requires that all pension schemes have a formal internal dispute resolution procedure in place allowing members, prospective members, beneficiaries and contingent beneficiaries an avenue for complaint. It is hoped that members and beneficiaries will always be pleased with the service provided by the ITB Pension Funds and that no-one has reason to complain. However, in the unlikely event that a complaint arises and a member of the Funds' staff fails to provide a satisfactory answer, then a copy of the formal internal dispute resolution procedure is available upon request from:

The Chief Executive, The ITB Pension Funds, 23 King Street, Watford WD18 0BJ

THE PENSIONS OMBUDSMAN

You can at any stage seek free and impartial help from the Pensions Ombudsman's "early resolution" service. This independent service is available to assist members and beneficiaries in connection with any difficulty with the Funds. The contact details for this purpose are:

Telephone: 0800 917 4487 and select the option to discuss a potential complaint

Email: enquiries@pensions-ombudsman.org.uk

Address: The Pensions Ombudsman, 10 South Colonnade, Canary Wharf E14 4PU

Website: www.pensions-ombudsman.org.uk

The Pensions Ombudsman also has power to investigate and determine complaints about injustice caused by maladministration, and disputes of fact or law, which are referred to the Ombudsman in accordance with the Pension Schemes Act 1993. Normally the Ombudsman will expect the complainant first to go through the Funds' internal dispute resolution procedure. The Ombudsman's contact details for this purpose are:

Telephone: 0800 917 4487 and select the option to discuss a potential complaint

Email: enquiries@pensions-ombudsman.org.uk

Address and website as above.

THE PENSIONS REGULATOR

The Pensions Regulator is the UK regulator of work-based pension schemes and its objectives are:

- to protect the benefits of pension scheme members
- to promote good pension scheme administration
- to reduce the risk of situations arising that may lead to claims for compensation from the Pension Protection Fund
- to maximise employer compliance with employer duties and the employment safeguards introduced by the Pensions Act 2008
- In relation to DB scheme funding, to minimise any adverse impact on the sustainable growth of an employer

The Pensions Regulator can intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties.

Address: Napier House, Trafalgar Place, Brighton BN1 4DW

Website: www.thepensionsregulator.gov.uk

THE PENSION PROTECTION FUND

The Pension Protection Fund (PPF) is a public corporation, set up by the Pensions Act 2004 and run by an independent Board. It was established to pay regular compensation to members of pension schemes where the employer has become insolvent and there are insufficient assets in the pension scheme to cover PPF levels of compensation. The PPF is also responsible for the Fraud Compensation Fund which pays compensation to occupational pension schemes which have lost out financially to dishonesty.

Website: www.ppf.co.uk

Email: information@ppf.co.uk

Telephone: 0345 600 2541

MONEY AND PENSIONS SERVICE

The Money and Pensions Service has been set-up by the Government to ensure that people throughout the UK have guidance and access to the information they need to make effective financial decisions over their lifetime. It provides the following three services:

1. Pension Wise

Pension Wise is a free service for anyone who has a defined contribution (DC) pension. It offers broad, impartial guidance on options at retirement including how each DC option is taxed, the next steps to take and questions to ask DC pension providers. The guidance provided by Pension Wise is not regulated by the Financial Conduct Authority and is not intended to replace independent financial advice.

Website: www.pensionwise.gov.uk

Telephone: 0800 138 3944

2. The Pensions Advisory Service

The Pensions Advisory Service offers free and impartial guidance to people with workplace and personal pensions. It can help with all pension matters covering workplace, personal and stakeholder schemes and also the State Pension.

Website: www.pensionsadvisoryservice.org.uk

Telephone: 0800 011 3797

3. The Money Advice Service

The Money Advice Service provides free and impartial money advice.

Website: www.moneyadviceservice.org.uk

Telephone: 0800 138 7777

INDEPENDENT FINANCIAL ADVICE

An Independent Financial Adviser (IFA) can, for a fee, provide more detailed advice taking account of individual financial circumstances. The IFA directory can be accessed at:

www.unbiased.co.uk/life/pensions-retirement

PENSION TRACING SERVICE

If you think you may have an old pension, but are not sure of the details, contact the Pension Tracing Service. It will provide you with the contact details of your old pension scheme's administrator, with whom you will then be able to make further enquiries and ask for your pension to be paid out.

Website: www.gov.uk/find-pension-contact-details

Telephone: 0800 731 0193

ITB PENSION FUNDS TAX OFFICE

The Tax Office dealing with the ITB Pension Funds can be contacted via:

Address: HM Revenue & Customs, Pay As You Earn Self-Assessment, PO Box 1970, Liverpool, L75 1WX

Telephone: 0300 2003300

Open Fund Reference: 073/I1012A

Closed Fund Reference: 073/I1012

AGE UK

Age UK is the country's largest charity dedicated to helping everyone make the most of later life.

Website: www.ageuk.org.uk

Telephone: 0800 678 1602

KEEPING US INFORMED

Please ensure that you keep the Trustees of the ITB Pension Funds advised of any change of address. You can do this by writing to the Funds' Office, at the address below, or using the Funds' website www.itb-online.co.uk

CONTACT

The ITB Pension Funds, 23 King Street,
Watford, Herts, WD18 OBJ

Telephone: 01923 226264

E-mail: pensions@itbpen.com

Website: www.itb-online.co.uk

Pension Scheme Registry Number: 10169800

