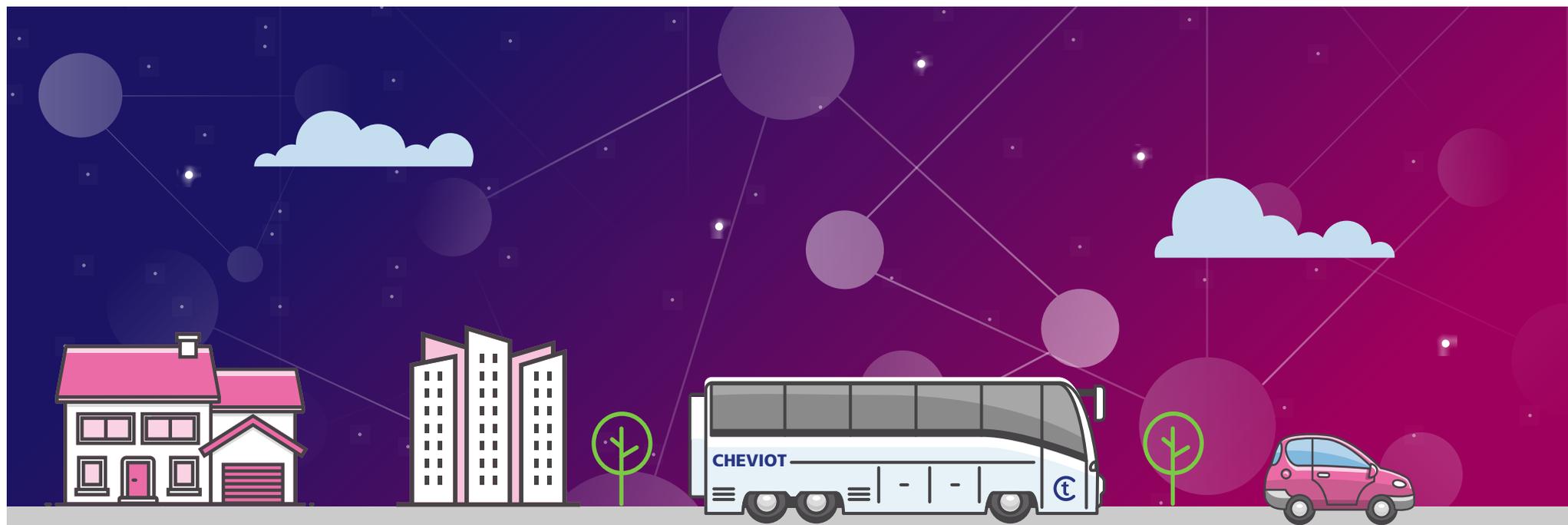


# REPORT TO MEMBERS

ISSUED DECEMBER 2020



2020

# WHAT'S INSIDE?

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- 6 Money Purchase Section
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## We want to hear from you

Let us know what you think about our services

 Email us at [people@cheviottrust.com](mailto:people@cheviottrust.com)

 Call us on 01702 354024



New fund choices are available for Money Purchase Scheme members. See page 6.

Cheviot pension benefit statements are available online. Click [here](#) to see our benefit statement factsheet.



If you are interested in becoming a member nominated Trustee director, please see page 4. Applications must be received by close of business on 11 January 2021.



Disclaimer: the contents of this report are not intended as legal or financial advice. Readers must take specific advice on any particular matter which concerns them. The trust deed and rules will override in the event of any inconsistency.





# A MESSAGE FROM THE CHAIR



## COVID-19

2020 has been an exceptionally difficult year for everyone, so please forgive us for issuing this report later than usual. We hope that all our members are coping well with the crisis that faces us and remain well. With positive news about the vaccines, I am sure we all hope that 2021 will return to something like normality.

The Trust moved to working remotely in March. The Trustee continues to meet regularly via video conferencing to oversee the governance and management of the Trust. The Investment Committee has met regularly to review investment strategy and to assess the impact of the crisis on the economic outlook.

If you want to contact our administration team, our usual phone lines are working so call or email if you have any queries. Please sign up to electronic communications as postal enquiries will take much longer to process. We've also made some changes to our administration requirements to make it easier for you to send scanned documents to us rather than post them.

Please contact us by email or phone to enable us to respond promptly.

## Master Trust authorisation

The Money Purchase Section was authorised by the Pensions Regulator as a Master Trust in August 2019 following a very detailed review of Cheviot's governance and administration processes, used across all Cheviot schemes. We remain in regular contact with the Pensions Regulator, updating them on the Trust, particularly during the current crisis.

The Trustee directors are confident that the Trust is managed effectively as described in the **Chair's statement**. The report produced by the Trust's auditors on Cheviot's processes and procedures can be read [here](#).

Authorisation means that all members and employers can be confident that the Trust is well governed and that the administration processes and systems are robust and secure.

## New website

Earlier this year we launched our new corporate website, [www.cheviottrust.com](http://www.cheviottrust.com), with a new brand as we seek to expand our membership. The corporate website has a link to the member website, which is now [www.mycheviotpension.com](http://www.mycheviotpension.com). You can access your online account from the member website.



## We want to hear from you

The Trustee Board is always interested to know your views about Cheviot, including what you think we do well and what we could do better. Get in touch at [people@cheviottrust.com](mailto:people@cheviottrust.com)

# NEWS FROM THE TRUSTEE BOARD

Cheviot Trustees Limited has a professional chair, four member representatives, four employer representatives and three co-opted directors. The Trustee directors look after your pension for you. This means overseeing the management of the Trust, including the administration service, reviewing the investment strategy and ensuring the Trust meets all its statutory and regulatory requirements.

Click [here](#) to learn more about our Trustee directors.



## Member nominated director vacancy

The terms of two of our member nominated directors, John Berry and Maralyn Thomas, were due to come to an end earlier this year but their appointments have been extended in light of the exceptional circumstances. All members and pensioners are encouraged to put themselves forward for consideration as a member nominated director. Cheviot is unusual in having member nominated directors and they are really valued to help us understand the member perspective and produce communications which are accessible and relevant.

Details of the position and the time involved as a member nominated director can be found [here](#). The selection process is undertaken by interview.



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Maralyn Thomas has put herself forward for re-appointment. Maralyn has been a trustee for nearly 20 years and was formerly head of pensions at a large Midlands law firm.



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Giles Orton, currently a co-opted director, has put himself forward to serve as a member nominated director. Giles is a partner and is now a consultant with Eversheds Sutherland, specialising in pensions litigation. Giles is also a fully accredited Professional Pension Trustee.



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John Berry is retiring as a trustee after serving for 12 years. We are immensely grateful for all his hard work and support during his time on the Board.

# THINGS YOU NEED TO KNOW

## Did my savings grow in 2019?

Performance in 2019 for **Money Purchase Section** members was strong, with all funds in the Cheviot Lifeplan, other than Cheviot Cash, providing returns well ahead of the long-term targets.

2020 has been a more difficult year given the COVID-19 crisis although markets have started to recover. You can log on to the member online system to see your up-to-date fund value. Performance information is available [here](#).

If you have savings in the **With Profits Section**, they will have increased in line with the guaranteed rates of return. If you are over your Normal Retirement Date, the rate of interest is based on the current base rate.

If you were a member of your employer's **Final Salary Scheme** with Cheviot, your benefits are not dependent on whether the assets have grown. Your pension usually increases in line with inflation (capped at 2.5% or 5%) from when you left the scheme until your Normal Retirement Date.



## Data protection

We know how important it is to look after your personal data securely. You can find a summary of our privacy policy [here](#).

## Expression of wishes form

Make sure your expression of wishes form is up to date. This helps the Trustee understand your wishes about the distribution of any death benefits. You can find the form [here](#).

## Contact details

Please check, using the online system, that your contact details are up to date, including a personal email address. It is your responsibility to keep your contact details up to date. The COVID-19 crisis has made it more difficult for us to correspond by post, and we will be moving to mostly electronic communications in 2021.

If we can't contact you, we will use a tracing agency. If we have to trace you more than once, we will deduct the tracing costs from your savings.

## Members of a Final Salary Scheme

We will be writing to you shortly to ask you to confirm that the data held on our system is accurate. The form is straightforward and we would be grateful if you could return it as soon as possible.

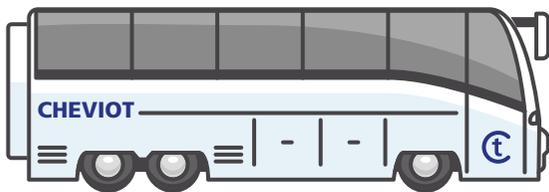


# MONEY PURCHASE SECTION

Log on to the member online system to see your up-to-date fund value, change your personal details and check your investment choices. You can also view your benefit statements and see whether you are saving enough for the retirement you want. If you don't already have access to this, setting up your account is easy. You can do this [here](#).

## Cheviot Lifeplan

Most members are invested in the Cheviot Lifeplan. The Cheviot Lifeplan allows the Trustee to take investment decisions for you. The Cheviot Lifeplan transitions your savings through different funds based on your Target Retirement Date.



It is important that you let us know if your retirement plans change. If you don't set a Target Retirement Date, the Trustee will use your State Pension Age. You can find more information about the Cheviot Lifeplan [here](#).

## Introducing our new funds

If you want to make your own investment choices, you can invest in the funds used in the Cheviot Lifeplan or one or more of the new funds introduced this year. These new funds are managed by external managers. More information is available [here](#). If you choose your own option, it is your responsibility to review your investment choices and decide which is right for you, particularly when you are approaching retirement.

### New funds:

Legal & General Global Equity Fund  
Legal & General UK Equity Fund  
Blackrock Emerging Markets Equity Fund  
HSBC Islamic Global Equity Index Fund  
Legal & General Ethical Global Equity Index Fund

## Approaching retirement

When you start to think about accessing your savings for the first time or are approaching your Target Retirement Date, you need to review how to invest your pension funds. We now provide a variety of retirement investment strategies depending on what you are likely to do. You can find more information [here](#).



# IMPACT OF COVID-19

The impact of the COVID-19 crisis has been significant on all aspects of life. The impact on the economy in the short term is clear as government spending around the world has increased beyond anything experienced before to support the efforts of our workers and to manage the financial impact on individuals. The economic impact in the medium and longer term is unknown but is likely to be significant. Stock markets fell sharply in March. Although some markets have recovered, others are still lower than the beginning of the year.

## What this means for you

If you are a member of the With Profits Section or a Final Salary Scheme managed by Cheviot, the impact on investments will NOT affect your pension benefits.

If you are a member of the Money Purchase Section, your savings will be affected by the fall in value and the ongoing volatility. You can check the current value of your savings on the member online system. If you don't already have access to this, setting up your account is easy. You can do this [here](#).



## Guidance for members of the Money Purchase Section

Cheviot is not able to provide financial advice and the following comments are intended as general guidance only.

- The impact of the current falls is likely to be less if you are some years away from retirement or accessing your pension savings.
- Markets may recover in the short, medium or long term which means that the value of your fund may go up again.
- Be wary of any alternative schemes that promise to protect your savings against further falls if you transfer to them.

You can check the value of your fund via the member online system.

## Further information

Free guidance is available from Pension Wise or you can take advice from an independent financial adviser. You can find a financial adviser through the Money Advice Service website [here](#).

**We strongly advise that you take advice from a Financial Conduct Authority (FCA) regulated independent financial adviser before taking any major decisions about your pension savings.**



## Scams – be Scam Smart

Don't let a scammer enjoy your retirement. Scammers will be trying to take advantage of the COVID-19 situation so please be particularly vigilant. For further information, please click [here](#) and get to know the warning signs of a scam.

# FINANCIAL INFORMATION

## FUND ACCOUNTS



	Cheviot Pension £M		Final Salary Schemes £M	Total £M
	Money Purchase Section	With Profits Section		
Assets as at 1 January 2019	110.9	97.3	207.7	415.9
<i>PLUS</i>				
Contributions and transfers	8.1	-	2.2	10.3
Net return on investments	16.8	11.1	18.5	46.4
<i>LESS</i>				
Benefits paid	2.2	3.9	5.6	11.7
Leavers	3.0	2.8	0.4	6.2
Expenses	0.5	1.5	1.2	3.2
Assets as at 31 December 2019	130.1	100.2	221.2	451.5



The consolidated report and accounts, the Cheviot Pension accounts, Statements of Investment Principles for the Money Purchase Section, the With Profits Section and the Final Salary Schemes and the Chair's Governance Statement are available [here](#). The accounts for each Final Salary Scheme are available on request.

## Membership numbers

31 December 2019



Cheviot Pension 7,423



Final Salary Schemes 1,427



Total 8,850

## Contact us

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