

The background of the slide is a photograph of three large, rounded trees with dense green foliage, standing in a field. The sky is a clear, deep blue with a few wispy clouds on the right side. The trees are arranged in a slightly curved line across the middle ground.

REPORT TO MEMBERS

 The Cheviot Trust

December 2025

RECENT CHANGES AND NEWS

Changes to the Cheviot Lifeplan

In March 2025, the Trustee wrote to all Money Purchase Scheme members. It explained that it had reviewed the Cheviot Lifeplan in conjunction with VLK, Cheviot's investment advisers, and had agreed to make changes to the structure. See page 5 for more details about the changes which were implemented in April 2025. The Statement of Investment Principles was updated and published alongside the communications to members detailing the new investment strategy and can be found [here](#) on the members' website.

We want to hear from you

The Trustee Board is always interested to know your views, including what you think we do well and what we could do better. Please email: CheviotMembers@spenceandpartners.co.uk

Appointment of Spence and Partners

The Trustee appointed Spence and Partners in February 2025 to provide administration services to the Trust. Cheviot's finance and pensions administration team transferred to Spence as part of the appointment. Spence's commitment to their staff is significant and we are confident that our staff will benefit from being part of a larger organisation. You can find out more about Spence and Partners [here](#). The governance team remains employed by the Trustee.

Scams - be scam smart

Don't let a scammer spoil your retirement. Scammers will be trying to take advantage of the current difficult economic environment so please be particularly vigilant. For further information, please click [here](#) and get to know the warning signs of a scam.

Fiduciary Investment Managers

The Trustee appointed Van Lanshot Kempen Investment Manager (VLK) as investment adviser and fiduciary manager in February 2024. VLK won the Fiduciary Manager of the Year award in the Professional Pensions UK Pensions Awards 2025.

VLK have a robust approach to sustainability and integrate it into all their decisions and engagement with companies in which they invest on the Trustee's behalf.

Transfers out may take longer than usual as Cheviot completes checks to protect you against scams. You may be asked to make an appointment at MoneyHelper or take independent financial advice before your transfer proceeds.

Our New Office

Cheviot moved office in September to a new office in Rochford: The Cheviot Trust, S7, Launchpad, Cherry Orchard Way, Rochford, Essex, SS4 1YH. The Telephone number remains unchanged: 01702 354024. The administration and finance team share this office but any correspondence should be sent to: Spence & Partners Limited, Linen Loft, 27-37 Adelaide Street, Belfast, BT2 8FE. Telephone: 0203 8550143 Email address: CheviotMembers@spenceandpartners.co.uk

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

THINGS YOU NEED TO KNOW

Money Purchase Section members

Performance for members was positive in 2024 and has been positive in 2025 to the end of November. You will see the impact on your savings when you receive your benefit statement in the first half of 2026.

With Profits and Final Salary Scheme Members

Members of the With Profits Section or Final Salary Schemes are not usually impacted by falls in asset values as the guaranteed returns in the With Profits Section and the benefit promises in a final salary scheme are supported by employers. Summary Funding Statements have recently been issued to all members and provide more information about your scheme.

All members should complete an expression of wishes form

The Trustee uses the information on your expression of wishes form to help it decide how to distribute any death benefits. Help the Trustee to understand your wishes by completing the form and keeping it up to date. You can find the form [here](#).

Contact Details

It is your responsibility to keep your contact details up to date. Please check that your contact details are up to date, including a personal email address. Please email the admin team at CheviotMembers@SpenceandPartners.co.uk with any changes if you do not have access to the Cheviot Dashboard. 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.

Important Details

The consolidated report and accounts, the Cheviot Pension accounts, the Implementation Statements and 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. Hard copies are available on request to 0203 8550143 or email CheviotMembers@spenceandpartners.co.uk

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A MESSAGE FROM THE CHAIR

Sir Derek Morris

Overview

The Trustee has continued to focus on its governance and services to members, operating a mixture of in person, hybrid and virtual meetings, balancing convenience and cost effectiveness with the positive impact of in person meetings. The Board now meets in person quarterly, and most Committees, which provide focus on key areas such as investment, finance and legal, continue to meet online.

Trustee Board

Cheviot's previous Vice Chair, Ian Gault, retired in June 2024 after serving on the Board for 32 years. The Board took the opportunity to reduce its numbers from ten directors to eight and to appoint two Vice Chairs, Giles Orton and Gerald Kidd, to provide more resilience.

Stephen Jones and Martin Poore have been reappointed as Employer representatives. Giles Orton, Diane Elliott-Smith and Frances Longmore have been reappointed as Member representatives. Elspeth McKinnon was reappointed as a co-opted Trustee in 2025.

Appointment of two key Advisers:

Investment adviser and fiduciary adviser

Van Lanschot Kempen (VLK) was appointed as fiduciary manager and investment adviser to the Trust in February 2024.

The Trustee continues to set the investment strategy. VLK has delegated authority from the Trustee to manage the underlying investments in line with the strategy. VLK have made changes to the underlying portfolios to reflect its investment approach and beliefs.

VLK supports the Trustee towards its Environmental Social and Governance (ESG) targets in line with its bespoke net zero commitment which set out the ambition to contribute to the world's efforts to reduce global warming. VLK provides a robust basis for the ESG implementation. You can read more about this in the Implementation Statements and the TCFD report available on our corporate website. VLK's climate change policy can be found [here](#). The Trustee has appointed EY (UK) to provide oversight of VLK's performance.

Administration Provider

Spence were appointed in February 2025 to provide administration services to the Trust. The existing finance and administration teams transferred to Spence in May 2025 and continue to provide the ongoing services. Spence's IT system, Mantle, will enable Cheviot to provide significantly improved member online portals and automated communications.

The portal will be available when the transition to Mantle is completed during the first half of 2026. We are confident that Spence will enable us to continue to provide excellent and innovative services to employers and members going forward.

Change of registered Office

Following the outsourcing of the administration teams, the governance team has moved to a different office. The registered office address of Cheviot Trustees has been moved to the new office which is shared with the staff now working for Spence.

Investment Overview

2024 was a good year for investment returns. Global markets rose during 2024 providing strong absolute and relative performance over the year. Inflation continued to reduce but markets were unstable at times, reflecting the general uncertainty, particularly in relation to the conflicts in Ukraine and Gaza. Despite this, returns were strong and the performance of Cheviot funds was in line or slightly ahead of markets. Over the longer term, some funds remained below their long-term targets, due to the high levels of inflation on which the targets are based. 2025 has continued this trend and performance at the year end is expected to be positive across most funds.

INVESTMENTS

Have you ever thought about what happens to the contributions that you and your employer make towards your pension?

The contributions are sent to Cheviot every month and the Trustee invests them for you.

Why it matters how your savings are invested

You need your contributions to grow while you're working to provide you with the best possible income in retirement. Cheviot funds aim to provide relatively stable growth above inflation to help your fund grow in real terms.

Choosing the right investment journey for you

We understand that investment choices can be difficult. The Cheviot Lifeplan allows the Trustee to make investment decisions for you. If you prefer to make your own decisions, you can choose from an alternative range of options explained on page 2 of Investment Factsheet 1, which can be accessed on the member website [here](#).

Looking after you before and after retirement

The Trustee has designed the Cheviot Lifeplan to manage your savings throughout your membership. You don't need to take any investment decisions if you're invested in the Lifeplan.

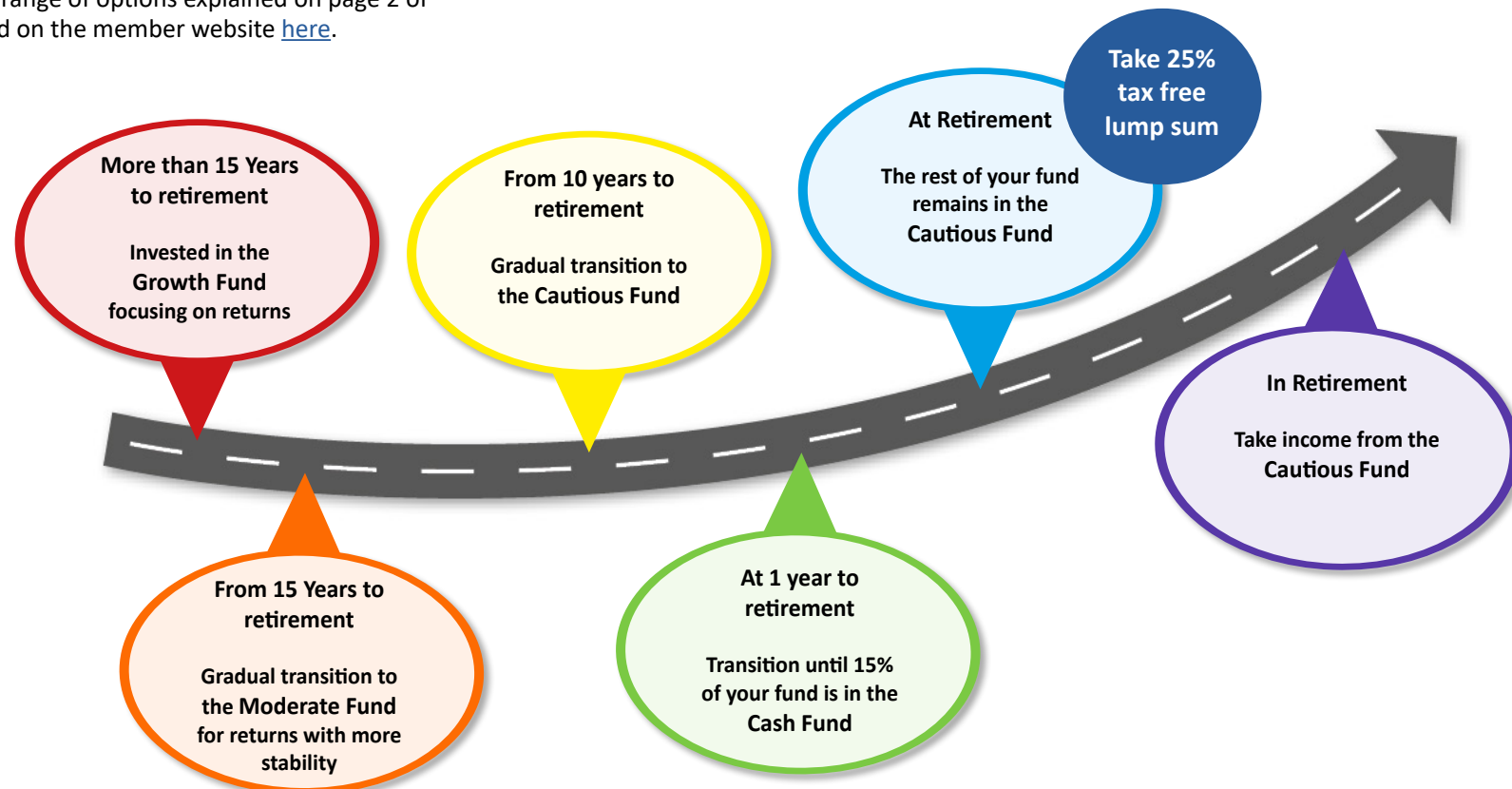
While you're working

The Lifeplan looks after your savings and aims to provide the best possible retirement income for you. It uses four core funds: Growth, Moderate, Cautious and Cash. The Growth and Moderate funds take more risk and aim to provide higher returns when you're a long way from retirement. The Cautious and Cash funds reduce risk as you approach retirement, with slightly lower returns.

The stages of the Lifeplan are based on the Target Retirement Date that you select. You can base this on the age you expect to stop working. If you don't choose a Target Retirement Date, we'll use your State Pension Age. If your plans change, remember to let us know by changing your Target Retirement Date, and your investments will be automatically adjusted for you.

During retirement

Most Cheviot members go into flexible drawdown at retirement. You can use Cheviot's drawdown option so you don't have to transfer your savings to another provider or pay any additional charges. Flexible drawdown allows you to take a tax-free lump sum at retirement, and the rest of your fund remains invested by the Trustee so you can take an income when you need to, subject to tax.



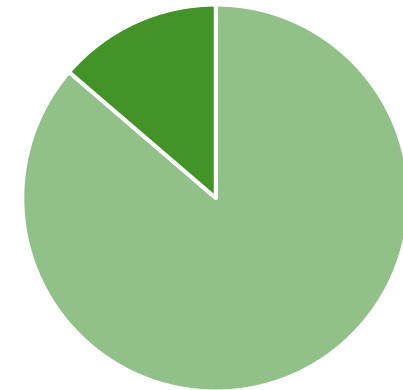
FINANCIAL INFORMATION

FUND ACCOUNTS

Membership numbers
31 December 2024

	Cheviot Pension £M	Final Salary £M	Total Assets under management £M
Assets as at 1 January 2024	224.1	159.9	384.0
PLUS:			
Contributions and transfers	10.8	1.5	12.3
Net return on investments	24.6	-2.8	21.8
LESS:			
Benefits paid	-8.2	-6.7	-14.9
Leavers	-9.1	-22.8	-31.9
Expenses	-3.0	-1.9	-4.9
Assets as at 31 December 2024	239.2	127.2	366.4

*Note: The 2025 accounts will be published in 2026



Cheviot Pension: 7,490
Final Salary: 1,190
Total: 8,680

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](#).

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