



THE CHEVIOT PENSION

INVESTMENT FACTSHEET

Why investment is important

You need your contributions to grow 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 Trustees to take investment decisions for you. If you want to make your own decisions, you can choose from an alternative range of options which are easy to understand.

You can think of your investment journey as either a ride on the Cheviot bus (where we make all the investment decisions for you through the Lifeplan) – or the self-drive option (where you take a more hands-on approach).

Regularly monitored

Cheviot looks after your investments for you. Most Cheviot options are invested in a wide range of assets including UK and overseas company shares, company and government bonds and cash. The mix of investments is reviewed at least monthly and we can change investments quickly if necessary.

CHEVIOT LIFEPLAN

Most members are invested automatically in the Cheviot Lifeplan. The Lifeplan allows the Trustees to manage your investments throughout your membership based on when you plan to access your savings. You can set your own Target Retirement Date or Cheviot will use your State Pension Age. If your plans change, remember to let us know and change your Target Retirement Date so we can adjust your investments.

The Cheviot Lifeplan transitions your savings gradually through different funds, taking more risk and targeting higher returns when you are a long way from retirement and less risk and lower returns as you get closer. The move between the funds takes five years until you are close to retirement when the switch is completed over two years. The chart below shows where your savings will be invested at different times throughout your membership.

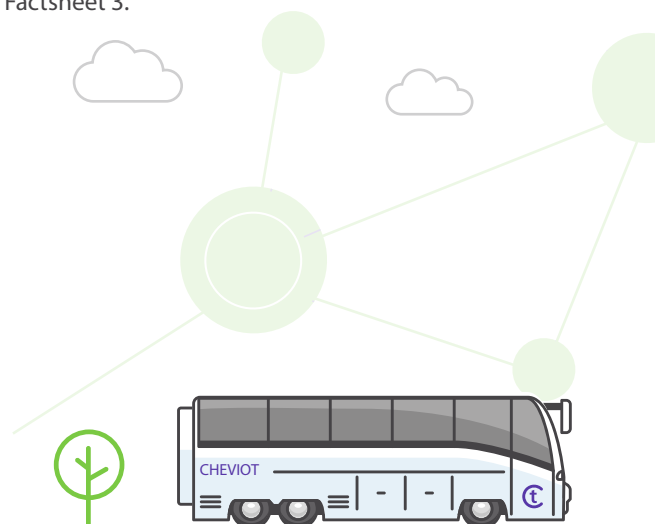
It is important to note the Lifeplan does not take into account any personal information other than your planned retirement date.

Options at retirement

At retirement, if you use Cheviot Lifeplan, you can take 25% of your account as tax-free cash from the Cash Fund and keep the remaining 75% invested to 'drawdown' when you need it. You can then take money out of your account as and when you need it. This is called 'flexible drawdown'. This option is available within the Cheviot Trust so, unlike many workplace pensions, you don't have to transfer your savings to another provider to access your benefits flexibly.

If you want to take your whole fund as cash or you want to buy a secure income (often called an annuity), there are different options for you to choose as you approach retirement. Please see Investment Factsheet 3.

25 years from retirement	Cheviot Growth Fund
20 years from retirement	Cheviot Moderate Fund
5 years from retirement	Cheviot Cautious Fund
1 year from retirement	75% Cheviot Retirement Planning Fund 25% Cheviot Cash Fund



CHOOSING YOUR OWN INVESTMENT OPTIONS

If you prefer to make your own investment decisions, we have a range of funds to choose from. These include the Cheviot funds managed by the Trustees, which invest in a range of different assets, equity funds, which only invest in stock markets; and specialist funds, which are designed to meet certain religious, ethical and retirement planning needs. 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. More detailed information is available in Investment Factsheet 2 – Fund Details.

Cheviot diversified funds	Equity funds	Specialist funds
<p>Cheviot Growth Fund</p> <p>This option is designed for members who are investing for the long term and are prepared to accept some fluctuations in returns in order to maximise growth.</p>	<p>Legal & General Global Equity Fund</p> <p>This fund tracks the performance of the FTSE World Index 50% unhedged and 50% GBP hedged.</p>	<p>HSBC Islamic Global Equity Index Fund</p> <p>This fund aims to track the performance of a world index which meets Islamic investment principles as interpreted and laid down by the HSBC Shariah Committee.</p>
<p>Cheviot Moderate Fund</p> <p>This option is designed for members who are prepared to accept a moderate degree of risk to achieve returns and require more stability over the long term.</p>	<p>Legal & General UK Equity Fund</p> <p>This fund tracks the performance of the FTSE All-Share Index.</p>	<p>Legal & General Ethical Global Equity Index Fund</p> <p>This fund holds equities which meet criteria in environmental sustainability, human rights, labour standards, countering bribery and climate change. Companies involved in certain industries (tobacco, weapons etc) are excluded.</p>
<p>Cheviot Cautious Fund</p> <p>This option is designed for members investing for the medium term who want stability with some growth.</p>	<p>Blackrock Emerging Markets Equity Fund</p> <p>This fund aims to achieve a return consistent with the return of the SCI Emerging Markets index.</p>	<p>Cheviot Annuity Planning Fund</p> <p>This fund is designed for members intending to purchase a secure pension income in the short term. The objective of the fund is to reduce the impact of changes in interest rates on the value of the secure pension income (an annuity).</p>
<p>Cheviot Retirement Planning Fund</p> <p>This option is designed for members investing for the medium term who want stability with some potential for growth, including members in drawdown.</p>		<p>Cheviot Cash Fund</p> <p>This option is designed for members investing in the short term who intend to take part or all of their pensions savings in cash.</p> <p>This option may provide slightly negative returns after charges when interest rates are low.</p>
<p>Cheviot Low Cost Fund</p> <p>This option is designed for members who are prepared to accept some degree of risk to achieve returns and are less concerned about stability over the long term in return for a lower charge.</p>		

All investments can go down as well as up.

This information is provided in good faith but is not legal or financial advice or binding on the Trustee. The trust deed and rules will override in the event of any inconsistency. We strongly recommend that you take independent financial advice where appropriate. You can find a financial adviser via www.unbiased.co.uk.

