

# REPORT TO MEMBERS

ISSUED DECEMBER 2023

## ITN 'Pension at Work 100'

The Cheviot Trust worked with ITN to produce a short film as part of Pensions and Lifetime Savings Association's (PLSA) latest campaign. To mark 100 years of the PLSA lobbying for better retirement outcomes, the Programme looks at their role as a voice for the workplace pensions and savings sector. Our film shows how Cheviot is working in the sector and how we believe our governance structure provides tangible value to members and employers. [You can watch the film here.](#)

## Reduce your carbon footprint

Electronic communications cost less and reduce Cheviot's carbon footprint. Many members have now signed up to the Cheviot Dashboard which means they can review and update any details themselves and view their benefit statements as soon as they are issued. [Register for the dashboard here](#) and access your pension information when it suits you. After registering, you can then download the app and view information on your phone.

## 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. 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.

## Benefit statements

The 2023 benefit statements will be issued by 31 March 2024. You can access them via the Cheviot Dashboard.

## 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: [people@cheviottrust.com](mailto:people@cheviottrust.com)



# A MESSAGE FROM THE CHAIR



Economic conditions in 2022 continued to be impacted by the Covid-19 virus, its effects on the economy and on the supply chain for goods.

The Trustee focused on the significant impact of Russia's invasion of Ukraine on the geopolitical and economic environment and the investments held by the Trust. Investment conditions were exceptionally poor with both high and lower risk assets falling in value significantly.

The Trust has continued to focus on its governance and services to members with the support of the committed and knowledgeable directors of the Trustee, Cheviot Trustees Limited, advisers and staff.

## Trustee issues

The Trustee board meets in person at least four times a year with hybrid and virtual meetings being used for most Committee meetings.

The Trustee adopted a bespoke net zero commitment in 2022 which explicitly reflects the Trustee's fiduciary responsibilities as well as our ambition to contribute to the world's efforts to reduce global warning. You can read more about this in the Implementation Statements and the TCFD report available on [our website](#) for 2022.

## Investment performance 2022

Markets were tumultuous in 2022, driven by soaring commodity prices, global uncertainty, spiralling inflation and supply chain disruption across Europe. Together with the political uncertainty in the UK, this made for difficult investment conditions during 2022.

Things have improved during 2023 for members of the Money Purchase Scheme and you can see investment performance for the main options on page 4. This page also explains how normally stable investments were impacted by conditions in 2022.

## Communications

Member communications are now largely online. Our member website, [www.mycheviotpension.com](http://www.mycheviotpension.com), is easy to navigate and includes information for all members.

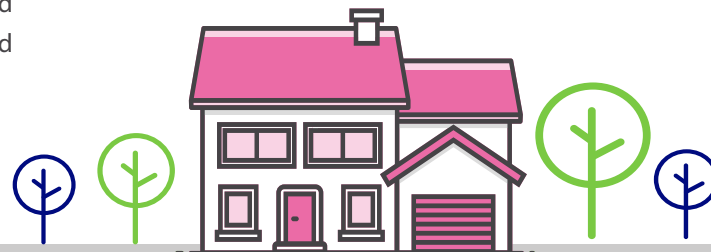
## With Profits Section

The [Actuarial Report](#) of the With Profits Section as at 31 December 2022 is available on the website.

## NEWS FROM THE TRUSTEE BOARD

**Gerald Kidd** has been reappointed as an Employer representative.

All employers were invited to put forward a candidate. No other candidates came forward and we were pleased to re-appoint Gerald for a further term. Gerald is a partner at Potheary Witham Weld LLP. He specialises in advising charities about governance and investment matters and also private individuals about trusts. Both as a trustee and adviser he has been involved in considering many aspects of investment management. In recent years he has been involved in advising some of the firm's charity clients about their pension schemes. Gerald is a trustee of a number of charities and approximately 20 family trusts.



# THINGS YOU NEED TO KNOW

## Did my savings grow in 2022?

Performance was disappointing for members of the Money Purchase Scheme in 2022 but has improved in 2023 with all funds producing positive returns (other than the Blackrock Emerging Markets Fund) as at the end of November 2023, based on provisional numbers. All the core lifepan funds, other than cash, produced returns above 5% during this period. See page 4 for more investment information.

## With Profits and Final Salary 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 provide more information about your scheme.

## Contact details

Please check, using the Cheviot Dashboard, 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.

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.

## Advice and guidance

Pensions Wise, the Money Advice Service and the Pension Advisory Service have been replaced by MoneyHelper: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

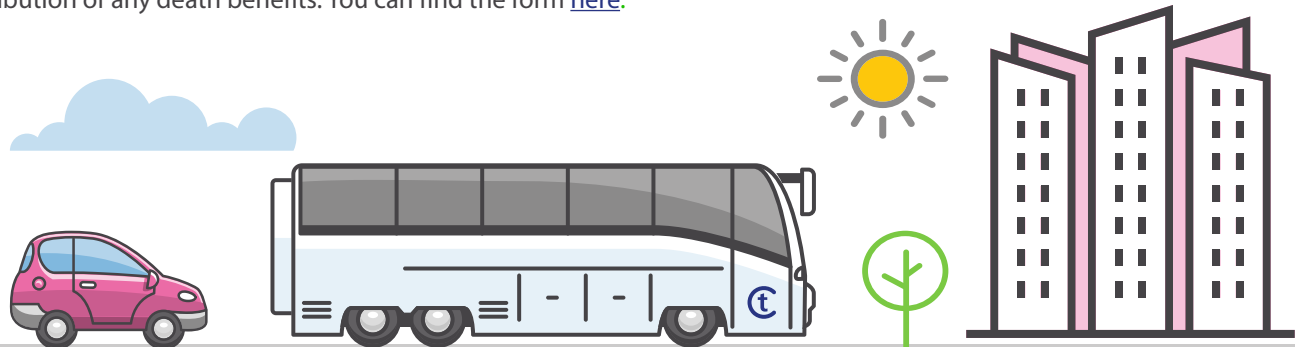
Free guidance is available from MoneyHelper or you can take advice from an independent financial adviser. MoneyHelper can help you find a financial adviser that is right for you.

## Important documents

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. If you would like hard copies of any of these documents, please contact us on 01702 354024 or email [people@cheviottrust.com](mailto:people@cheviottrust.com).

## 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](#).



# INVESTMENTS

## Money Purchase Scheme

2022 was a challenging year for investment markets. The war in Ukraine, soaring inflation and interest rates, turbulent politics and the continued strict lockdown in China all contributed to a difficult period that saw the greatest losses for financial assets since the 2008 financial crisis.

The difficult market conditions resulted in nearly all major asset classes moving in the same downward direction. All members saw a fall in the value of their funds at the end of 2022, with members closest to retirement seeing the largest impact.

The [Market Conditions in 2022 factsheet](#) provides more information about how the different types of assets performed. The graphs illustrate how the years differ from each other in terms of return and how variable the returns were.

Log on to the Cheviot Dashboard to see where your savings are invested. The return seeking funds all delivered performance below the long term inflation based targets over three and five years to the end of 2022, due to very high levels of inflation.

Up to date performance of the Cheviot and self-select funds can be found [here](#). Performance has been positive for most funds to 30 November 2023.

## 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 Normal Retirement Date. You can find more information about the Cheviot Lifeplan [here](#).

## Choose your own investment

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 other funds. One or more of the funds listed 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.

## Focus on climate change

There is growing focus on environmental issues and how they may affect financial returns and sustainability in the future. The Trustee is working hard to obtain better information from managers to enable it to assess the each managers approach to climate change and the possible impact on members.

To find out more, please read Cheviot's factsheet on the Implications of Climate Change or Cheviot's 2022 TCFD report, this is also available on our [website](#).

## AVAILABLE FUNDS

### Cheviot diversified funds

Cheviot Growth Fund  
Cheviot Moderate Fund  
Cheviot Cautious Fund  
Cheviot Retirement Planning Fund  
Cheviot Low Cost fund

### Equity funds

Legal & General Global Equity Fund  
Legal & General UK Equity Fund  
Blackrock Emerging Markets Equity Fund  
BlackRock ESG Fund

### Specialist funds

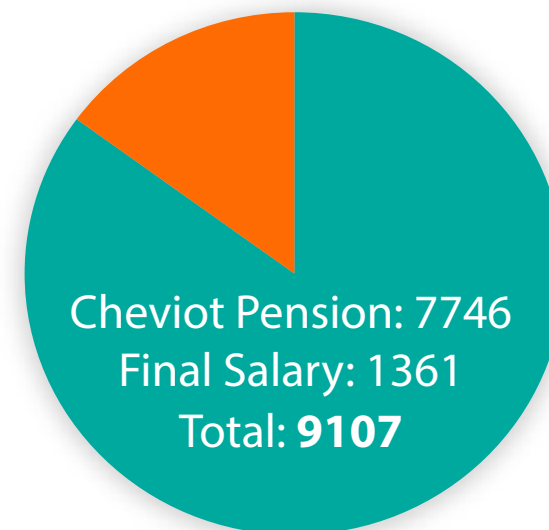
HSBC Islamic Global Equity Index Fund  
Legal & General Ethical Global Equity Index Fund  
Cheviot Annuity Planning Fund  
Cheviot Cash fund

# FINANCIAL INFORMATION

## FUND ACCOUNTS

Membership numbers  
31 December 2022

	Cheviot Pension £M	Final Salary £M	Total Assests under management £M
Assets as at 1 January 2022	251.4	234.1	485.5
PLUS			
Contributions and transfers	8.8	3.3	12.1
Net return on investments	-39.0	-71.1	-110.1
LESS			
Benefits paid	6.3	6.4	12.7
Leavers	6.1	0.3	6.4
Expenses	2.2	1.5	3.7
Assets as at 31 December 2022	206.6	158.1	364.7



## 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](#).

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.