

# Improving your pension investments

As the Trustee for your pension scheme we monitor your investments with the help of our professional advisers, and do a full comprehensive review every three years to make sure they are still suitable.

Following our latest review, we are making some improvements to your pension investments.

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## A reminder of how your pension is invested

Most members of the WH Smith pension schemes fall under the **Lifestyle investment strategy**.

This is an investment strategy that aims to grow your money by investing in shares of companies around the world listed on a recognised stock exchange, and commonly referred to as 'equities'. When you are 5 years from retirement age, Lifestyle moves your pension investments to lower risk investments to help protect the value of your money. In doing this, it prepares your money for you to spend or invest when you retire.

You can choose from 3 different kinds of **Lifestyle** depending on how you want to take your money when you retire. Under current tax rules up to 25% of your pension pot can be taken tax-free. The **Lifestyle** strategies all invest in the same fund initially, but do different things in the 5 years before you retire.

- The **Cash Lifestyle** changes your investments so that you can take your money as cash with 25% tax free under current tax rules
- The **Drawdown Lifestyle** allows you to keep investing your money, reducing riskier investments as you approach retirement, but enabling you

to flexibly take money out after retirement, but maintaining pension tax advantages. However, you have to move to an individual arrangement to benefit from this at retirement.

- And the **Annuity Lifestyle** prepares your fund to buy a guaranteed income from an insurance company, with an option for up to 25% of your pension pot as tax-free cash.

If you have not made a choice, it is likely that you will be in the **Cash Lifestyle** or **Annuity Lifestyle** depending on when you joined WH Smith. You can check which **Lifestyle** scheme you are in and how much you have saved by logging in to [www.whsmithPBpensions.co.uk](http://www.whsmithPBpensions.co.uk) (Pensionbuilder or Auto Enrolment schemes) or [www.whsmithPTpensions.co.uk](http://www.whsmithPTpensions.co.uk) (Pension Trust legacy final salary scheme – defined contribution section members).

Please be aware that we are currently making some improvements to the two websites. You will not be able to log into these sites until after 5th May 2022. If you would like to find out information about your pension you can contact the Pensions Team using the details shown in the letter.

Please note you may need to request log in details if you have not registered before. Email: [whspensiontrust@whsmith.co.uk](mailto:whspensiontrust@whsmith.co.uk) to request a log in.

If you are currently in **Drawdown Lifestyle**, then you will **not be moved** into **Cash Lifestyle**, but the Aquila Life 60:40 Global Equity Index Fund will be replaced with the Aegon BlackRock MSCI World Index Fund.

# We are making 4 improvements to your pension investments

## 1. We are replacing the main investment fund

Most members are invested in the Aquila Life 60:40 Global Equity Index Fund. This is where we invest your money prior to approaching retirement age if you are in **Lifestyle**. It is also one of the funds you can select if you choose your own investment funds.

We are replacing it with the Aegon BlackRock MSCI World Index Fund.

The current fund invests 60% in UK equities (shares in companies listed on the London Stock Exchange), and 40% in overseas equities. Following our latest review, we think this is now too heavily weighted towards the UK and certain sectors or industries.

The new fund invests in equities in many countries and sectors or industries across the globe with much more in the US, for example, and less in the UK.

By moving to this new fund we believe you will have a more diversified and suitable range of investments, and therefore more opportunity for your money to grow over the long-term.

## 2. We are moving members from Annuity Lifestyle to Cash Lifestyle

When you are 5 years away from retiring, **Annuity Lifestyle** prepares your money so that you can buy an annuity from an insurance company. Most members are not buying annuities nowadays. They often take their pension money as cash or transfer to a drawdown arrangement when they retire.

Because of this, we are moving **Annuity Lifestyle** members to **Cash Lifestyle**. This means that when you are 5 years away from retiring, we will get your money ready for you to take it as cash. These changes will also happen if you are less than 5 years away from retirement.

We will also be making some changes to how **Cash Lifestyle** works. You should benefit from these improvements too.

**If you want to stay in Annuity Lifestyle, you need to tell us by 16 May 2022.**

**You would need to choose a different Lifestyle or investment fund(s) instead.**

Email us at [whspensiontrust@whsmith.co.uk](mailto:whspensiontrust@whsmith.co.uk) or call **01793 562285** between 9a.m. and 4p.m. Monday to Friday.

### 3. We are changing how the Cash Lifestyle prepares your money for you close to retirement, so it continues to have the opportunity to grow

When you are 5 years away from retiring, **Cash Lifestyle** starts to move your money into cash. Inflation is higher currently, so your cash can lose its real purchasing value as prices go up.

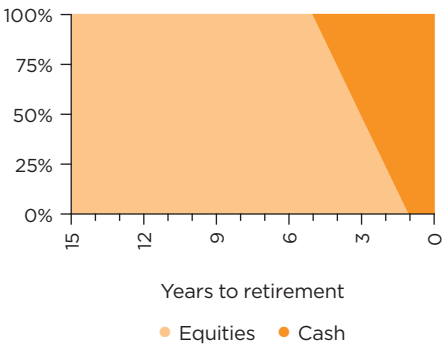
We are making some changes that may limit the impact of that happening.

Instead of moving all your money to cash during the 5 years before retirement, we will leave a small amount still invested in equities at retirement. This should give

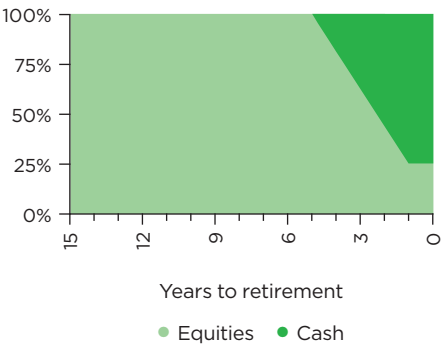
your money more opportunity to grow and keep up with the rising cost of living, but equities do go up and down in value, so this may not suit your circumstances, so please contact us if you wish to choose a different **Lifestyle** option or your own investment funds.

At the moment, **Cash Lifestyle** moves your money from equities into 100% cash. These improvements will mean that **Cash Lifestyle** will move your money like this:

Current Cash Lifestyle



New Cash Lifestyle



If you are less than 5 years away from retiring, we will move some of your money from cash back into equities.

**If you do not want this to happen, you need to tell us by Monday 16 May**

You will need to choose a different fund(s) or **Lifestyle** strategy instead. Contact us at [whspensiontrust@whsmith.co.uk](mailto:whspensiontrust@whsmith.co.uk) to let us know or you can download a form from our website.

## 4. We are adding 3 new funds for members who want to choose their own investments

Some members prefer to choose their own investment funds. There are currently 7 to choose from, and we will be adding 3 more:

- **Aegon BlackRock ESG Strategic Growth** – this invests in equities, corporate bonds (these are like loans that pay fixed interest), and some alternatives such as property.

It takes environmental, social, and governance issues into account when investing. This means that the fund avoids sectors such as tobacco, weapons, and thermal coal.

Instead, it invests more in companies and projects that protect the environment, treat their employees, suppliers and communities well, and are run responsibly.

- **Aegon HSBC Islamic Global Equity Index Fund** – this invests in equities from around the world and is compliant with Islamic Shariah principles. For example, avoiding alcohol and gambling related investments.
- **Aegon BlackRock Emerging Markets Equity Index Fund** – this invests in equities in developing economies, for example in Asia, South America and Eastern Europe. They may offer higher return potential but are regarded as higher risk in terms of price volatility. Political risks may be higher and governance standards may be less well regarded by investors.

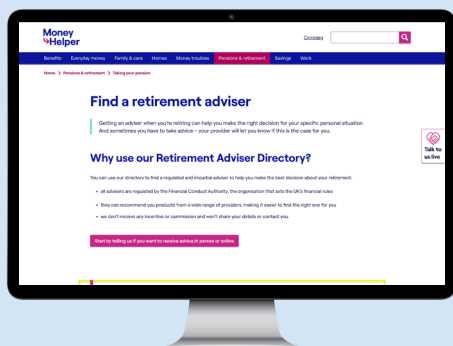
You can find factsheets for all funds on a special microsite linked to our scheme websites:

[www.whsmithPBPensions.co.uk](http://www.whsmithPBPensions.co.uk)

[www.whsmithPTPensions.co.uk](http://www.whsmithPTPensions.co.uk)

# How to get in touch with us

**If you are planning to retire or transfer-out from the end of May 2022 to mid-June 2022, or if you do not wish to be moved from Annuity Lifestyle, you must let us know by Monday 16 May 2022.**



Please either email the Pensions Team: [whspensiontrust@whsmith.co.uk](mailto:whspensiontrust@whsmith.co.uk) or call us on **01793 562285**. We may still need you to confirm by email or complete a form to tell us what you want to do.

We are here to support you and explain your options while providing general information, however we are not able to provide financial advice. If you think you need financial advice, you can find an adviser using MoneyHelper's 'Find a retirement adviser' tool at [moneyhelper.org.uk/retirement-directory](https://moneyhelper.org.uk/retirement-directory), or you could ask for a recommendation from someone you trust.

## More information

### Where can I find more information about these improvements?

You can learn more about the improvements we are making and what they mean for you at [www.whsmithPBpensions.co.uk](https://www.whsmithPBpensions.co.uk) or [www.whsmithPTpensions.co.uk](https://www.whsmithPTpensions.co.uk).

### I am not happy with these changes, what are my options?

If you are not happy with these investment changes you can choose another Lifestyle strategy, or choose your own investment fund(s). You can download a form to change your investments at the websites above.

## **I have just joined WH Smith, what do these changes mean for me?**

If you are new to WH Smith and you have not chosen your own funds, you do not need to do anything. Your pension contributions will automatically go into the Cash Lifestyle strategy. You can change your investment funds or Lifestyle after these improvements by emailing [whspensiontrust@whsmith.co.uk](mailto:whspensiontrust@whsmith.co.uk) or via the website.

## **When can I take my pension money?**

The minimum age for taking money from a pension scheme will rise from age 55 to age 57 from April 2028. You may have a protected right to take money earlier in certain circumstances. The Pensions Team can confirm if this applies to you.

## **Where can I learn more about how pensions work?**

Visit the MoneyHelper website to find out how a pension works, how much you should save, how you can take your pension, and more.

[www.moneyhelper.org.uk/en/pensions-and-retirement](http://www.moneyhelper.org.uk/en/pensions-and-retirement)

**If you want to learn more about annuities and drawdown then this site offers a wealth of information. WH Smith has a specially negotiated arrangement with Hargreaves Lansdown for members wishing to buy an annuity at retirement.**

[www.retirementsservice.co.uk/whsmith#/planning](http://www.retirementsservice.co.uk/whsmith#/planning)

**WH Smith Pensionbuilder and Auto Enrolment scheme websites:**

[www.whsmithPBpensions.co.uk](http://www.whsmithPBpensions.co.uk)

## **WH Smith Pension Trust website**

**For former final salary members with a defined contribution pension pot**

[www.whsmithPTpensions.co.uk](http://www.whsmithPTpensions.co.uk)

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WH Smith pension schemes are governed by trust deeds and rules. These control how the scheme is run and how your pension is managed. We can send you a copy if you ask us. If the letter and booklet we have sent you contradict these documents, the trust deed and rules will take precedence.

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