

## **A message from the Trustee of the Hanson Industrial Pension Scheme (the Scheme) Monitoring the economic impact of coronavirus (or COVID-19)**

You may have seen in the news or heard about the recent fall in stock markets as the economic impact of COVID-19 is felt around the world.

The outbreak of COVID-19 was first identified in Wuhan, China on 31 December last year, and initially confined largely to China. It has now spread to more than 60 countries, placing governments, health authorities and markets across the globe on high alert. The Bank of England has promised to help stabilise financial markets, joining other central banks in promising action to ease the economic impact of COVID-19.

### **Your DC pension pot - if you are invested in one of the Scheme's Lifestyle options**

If your DC pension pot is invested in any of the Scheme's three Lifestyle options, including the default option called the HIPS Drawdown Lifestyle, these use a pre-selected mix of investments which include funds that invest in global equity stock markets. The proportion of your DC pension pot invested in these funds depends on the time to your Target Retirement Age. If you are further away from retirement, more of your DC pension pot will be invested in these funds. This means that changes to the value of your DC pension pot over time will continue to be linked to the highs and lows of global equity stock markets. As you get closer to your Target Retirement Age, your DC pension pot is automatically moved into more diversified funds.

Over the longer term, the Lifestyle options are designed to provide growth for your DC pension pot. It's important to remember that over the short term, as seen in recent weeks, we expect some sharp changes in the value of your DC pension pot which can be up or down due to the movement of global equity stock markets.

A small portion of each Lifestyle option is invested property. Given market uncertainty in the wake of the COVID-19 outbreak, new investment into property has shut down temporarily. This means that any new contributions made to the Lifestyle options will not be invested in property for the time being, and will rather be spread around other investments. Investment in property will resume once the market returns to normal.

### **Your DC pension pot - if you are invested in the self-select range of investment funds**

If your DC pension pot is invested in the self-select fund range, you should regularly review your investment choices to ensure they are still in line with your retirement objectives and attitude to risk. This is especially important if you are closer to your Target Retirement Age because your DC pension pot won't automatically be moved into lower risk funds.

The temporary shutdown of property investment (mentioned above) will impact the HIPS Property Fund and the HIPS Passive Diversified Fund.

If you make contributions to the HIPS Property Fund, these will be moved to the HIPS Money Market Fund until the property market returns to normal. If you make contributions to the HIPS Passive Diversified Fund, of which property is a small component, these will be spread around other investments in the Fund.

### **What do you need to do?**

The Trustee recommends that you take financial advice before making any significant changes to your investments.

If you are closer to retirement, you may want to consider your plans carefully. If you are using the self-select range of investment funds and are planning to retire in the near future, understanding the recent performance of your investments is particularly important before deciding to withdraw your DC pension pot.

The Trustee will continue to monitor the economic impact of COVID-19 over the coming weeks and months.

### **What if I need more help?**

Please note that neither the Trustee nor the Scheme's administrator can give you financial advice. If you feel that you need personal advice and guidance on investing your investments in the Scheme, we recommend that you speak to a financial adviser.

You can find help about how to choose and find a financial adviser by visiting:  
[www.moneyadvice.service.org.uk/en/articles/choosing-a-financial-adviser](http://www.moneyadvice.service.org.uk/en/articles/choosing-a-financial-adviser)