



Nest quarterly investment report

At end September 2023

This information is designed for professional investors. To help other readers understand it we've added an A-Z glossary of terms on pages 15 and 16.

Market commentary



Liz Fernando
Chief Investment Officer

Following a strong first half of the year, the third quarter has been a challenging one for investors.

Most asset classes have had negative returns with equities and bonds both declining. Commodities were a notable outperformer. The optimism at the start of the year about resilient growth and declining inflation has faded. Concerns that interest rates will have to remain higher for longer has taken over and been the dominant factor driving equities and bonds.

Investors entered the third quarter on a relatively optimistic note. There were hopes that the US economy could remain resilient whilst falling inflation would mean no more interest rate increases were needed. These hopes were challenged as the Federal Reserve, the US central bank, showed they expected a further increase and for interest rates to remain higher for longer. Additionally, after rallying significantly in the second quarter, sentiment cooled around technology stocks. These factors meant equities ended the quarter lower. In emerging markets China's failure to rebound post-Covid and the ongoing property crisis have also taken a toll on equities.

Long-term bond yields were pushed higher over the quarter as the market reassessed where interest rates might settle and how much additional compensation was required to tie money up for longer periods of time. The US sovereign downgrade by Fitch in August was another headwind. The only bonds that were able to post positive returns in the third quarter were high yield bonds, thanks to relatively healthy corporate fundamentals.

The economic outlook remains uncertain as it takes time for higher interest rates to impact the economy. Most investors are still hoping that a deep recession can be avoided, but this is not a guarantee. We are monitoring for signs of fragility or positive surprises, but with a high degree of uncertainty, a diversified portfolio is warranted.

Portfolio changes

This quarter we have not made any changes to our strategic asset class outlook. However, there have been two significant developments in the quarter. Firstly, we have updated our investment objectives and approach to strategic asset allocation. We believe our new approach generates portfolios that are more directly aligned with the specific needs of members at different points across their lifecycle. They will also allow us to better incorporate illiquid assets in our portfolios. Secondly, we have added short-term UK Gilts (1-5 year Gilts) to our portfolios. We believe that Gilts now offer a good level of income given their low risk. This is a significant change that helps diversify our portfolio further.

Responsible investment update

This quarter, we published our **annual responsible investment report**, highlighting the work on integrating environmental, social and governance (ESG) considerations into our investment process during the 2022/23 financial year. We also published our **annual report** on implementing our climate change policy, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

We continued our engagement with Nestlé, after the company published a new target for the sale of more nutritious products that fell short of our expectations. We wrote to the company urging it to set a proportional target that would see a shift away from sales of less healthy products that are high in salt, fat and sugar.

This quarter we also responded to a consultation on proposed revisions to the **UK Corporate Governance Code** by the Financial Reporting Council (FRC) which we were broadly supportive of. We also provided a response to the FCA **Vote Reporting Group consultation** on developing a reporting template for UK asset managers.

Key metrics

£33bn

Total Nest assets under management

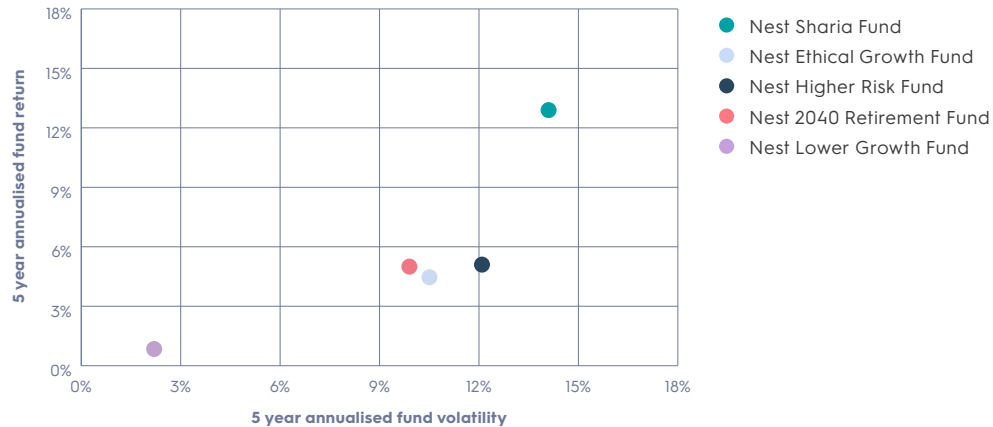
12.5m

Nest members

Comparative risk*

Realised risk and return of Nest's funds

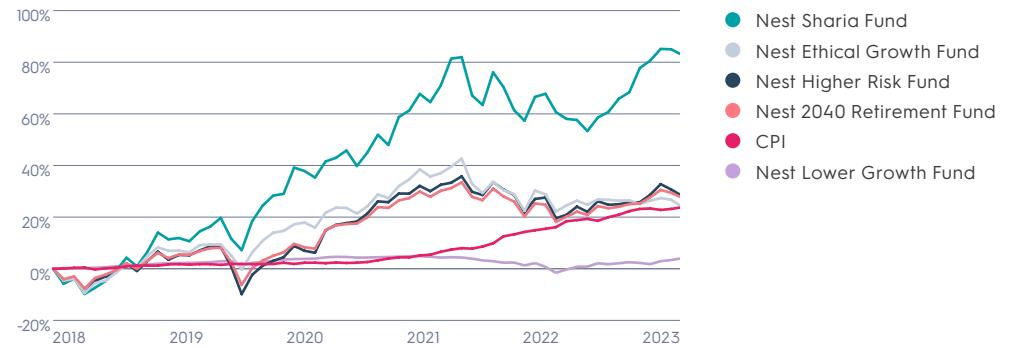
This chart compares the realised risk and the return of Nest's funds (net of AMC).



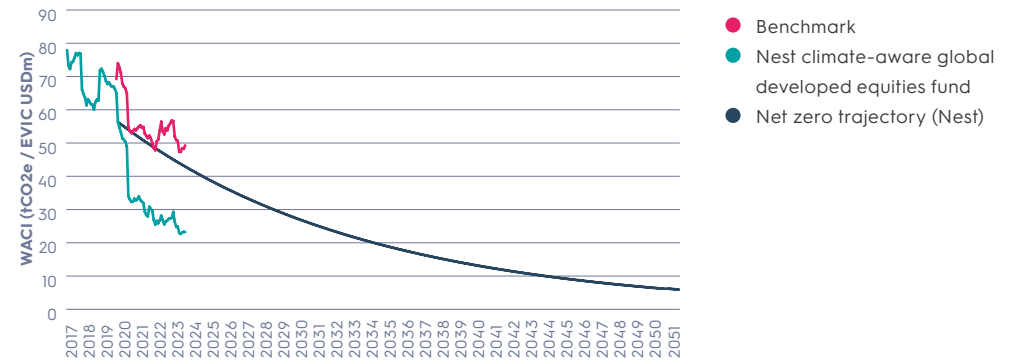
* Annualised volatility means how much a market's price goes up or down over a year. Markets that are more likely to swing higher and lower are considered riskier for your money, but they also offer more opportunities for your money to grow faster. As each Nest fund has a different mix of markets, they have different levels of risk. You might choose to take more or less risk based on your goals and circumstances.

Cumulative performance^Δ

Five year cumulative performance (net of AMC)



Nest's developed equities carbon intensity trajectory



^Δ This chart shows the 5-year cumulative performance of Nest funds against the Consumer Price Index (CPI). CPI shows you the change in price of a basket of household goods and services, so it's a good measure of inflation. If a fund is underperforming against CPI, it means that money saved in it is growing less than the rise in your cost of living, so you have less money in real terms.

Nest growth funds

The following funds have been designed for members who haven't yet reached State Pension age. They're designed to target a range of growth objectives and take different levels of investment risk to achieve this.

Nest 2040 Retirement Fund

(default strategy – growth phase)

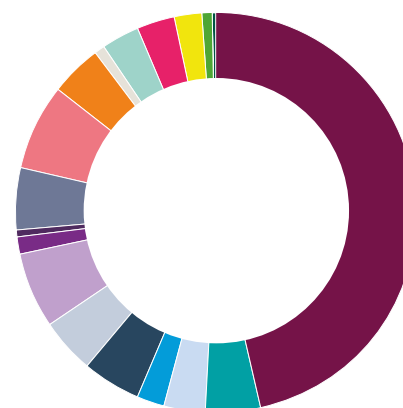
Default strategy

Nest's flagship default strategy provides a fund for each year in which we expect a member could retire. We manage members' assets according to their age and how markets are performing. If members join in their early twenties they'll go through four, dynamically managed investment phases. Most members will spend most of their time invested in the growth phase. It's the engine room of the default strategy, aiming to grow well above inflation over 30 years. The consolidation phase prepares members' money as they approach retirement. The Nest 2040 Retirement Fund is in the growth phase of this lifecycle.

Fund objectives

- target investment returns equivalent to CPI plus 3% and cover all scheme charges over the long term
- expect a long-term volatility average of 11%
- aim for steady growth in real terms over the life of the fund
- maximise retirement incomes by taking sufficient investment risk at appropriate times while reducing the likelihood of extreme investment shocks

Asset allocation



A proportion of the foreign currency exposure is hedged in our developed market credit funds, global developed equity fund and our private market funds.

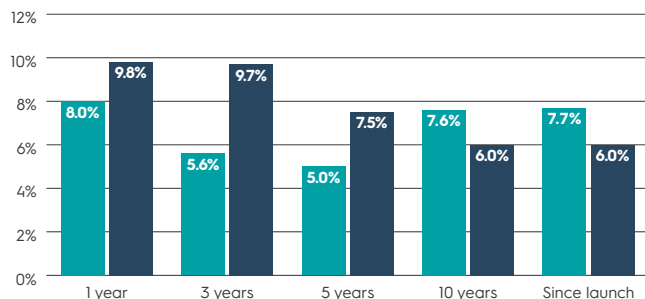
- 46.7% Climate aware global developed equities
 - 4.4% Sterling corporate bonds
 - 3.2% Short duration UK investment grade bonds
 - 2.4% Low risk sterling liquidity
 - 4.5% Global high yield bonds
 - 4.5% Emerging market debt
 - 6.2% Hybrid property (UK direct & REITs)
 - 1.4% Commodities
 - 0.5% Global listed property
 - 4.9% Climate aware global emerging market equities
 - 7.0% Global investment grade bonds
 - 4.2% Private credit
 - 0.9% Short duration investment grade bonds
 - 3.0% Infrastructure equity
 - 3.0% Infrastructure equity - renewables
 - 2.4% Private equity
 - 0.6% Property income
 - 0.2% Short Duration Gilts
 - 0.0%* Derivatives
- *Derivative fund at 0.0067%

Top 10 shareholdings

Company	Percentage within equities
APPLE	2.2%
MICROSOFT	2.0%
ALPHABET	1.3%
AMAZON.COM	0.9%
NVIDIA	0.9%
TESLA	0.6%
META	0.6%
BERKSHIRE HATHAWAY	0.6%
UNITEDHEALTH GROUP	0.4%
ELI LILLY & CO	0.4%

51.5% of this fund is allocated to global equities portfolio.

Investment performance



- Annualised total return net of Nest annual management charge
- Benchmark CPI+ 3%

Performance information reflects all the money in this fund rather than your individual pension pot.

Risk measures

5 year annualised volatility

9.9%

Nest Ethical Fund

(growth phase)

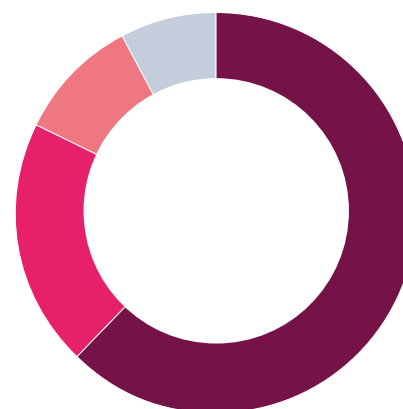
Fund overview

The Nest Ethical Fund is for people who want to invest in line with specific ethical or moral concerns, for example in areas such as human rights and fair trade. It doesn't just exclude companies that harm the world, its people or the environment, it also proactively invests in organisations that make a positive contribution to society. The fund invests in a range of asset classes to manage risk appropriately at different stages of members' lives. It follows a dynamically managed, three-stage glide path which is similar to our flagship Nest Retirement Date Funds. This includes de-risking members' pots as they approach retirement. The fund aims to deliver similar returns to the flagship Retirement Date Fund but it's likely to be more volatile due to it being less diversified. Data below is for the growth phase of this lifecycle.

Fund objectives

- provide a fund choice for members who want to invest in a portfolio that reflects their ethical concerns
- target investment returns of inflation plus 3% and cover all scheme charges over the long term
- expect a long-term volatility average of 13%
- aim for steady growth in real terms over a members' time saving and maximise incomes in retirement by taking sufficient investment risk at appropriate times while reducing the likelihood of investment shocks

Asset allocation



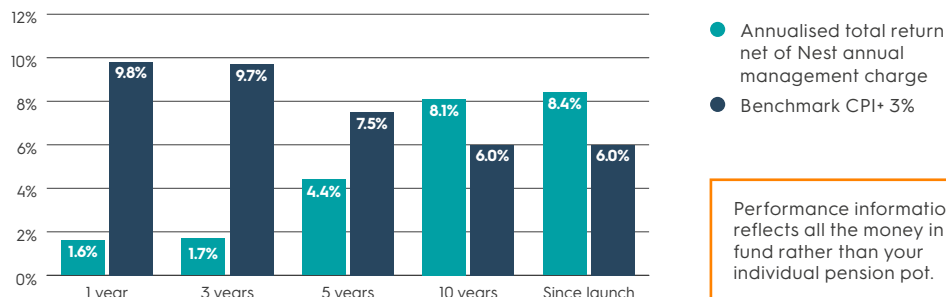
- 62.4% Ethical global equities
- 20.0% Ethical sterling corporate bonds
- 9.9% UK direct property
- 7.7% Infrastructure equity - renewables

Top 10 shareholdings

Company	Percentage within equities
APPLE	4.6%
MASTERCARD	2.7%
LINDE	2.5%
ACCENTURE	2.0%
INTERCONTINENTAL EXCHANGE	1.9%
NVIDIA	1.8%
SCHNEIDER ELECTRIC	1.7%
THERMO ELECTRON	1.6%
ROPER TECHNOLOGIES	1.6%
ASML HOLDING	1.5%

62.4% of this fund is allocated to global equities portfolio.

Investment performance



- Annualised total return net of Nest annual management charge
- Benchmark CPI+ 3%

Performance information reflects all the money in this fund rather than your individual pension pot.

Risk measures

5 year annualised volatility
10.3%

Nest Higher Risk Fund

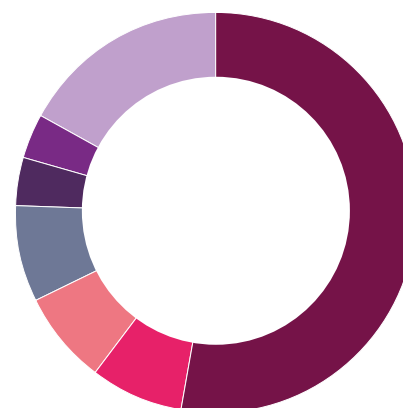
Fund overview

The Higher Risk Fund is for members who are more confident about taking investment risk in the expectation that their pot will grow faster.

Fund objectives

- take more investment risk than the Nest Retirement Date Funds in the growth phase in pursuit of higher potential returns
- expect a long-term volatility average of 17%
- reduce the likelihood of extreme investment shocks by diversifying across a range of return-seeking asset classes

Asset allocation



A proportion of the foreign currency exposure is hedged in our developed market credit funds, global developed equity fund and our private market funds.

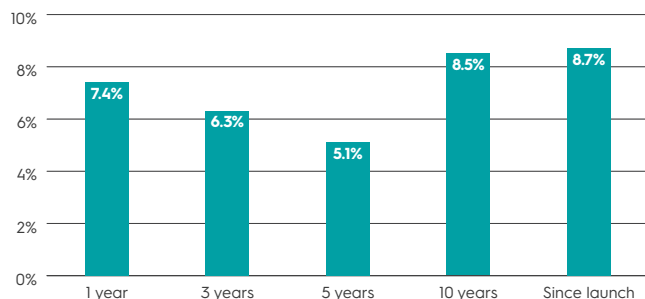
- 52.9% Climate aware global developed equities
- 7.7% Global high yield bonds
- 7.3% Emerging market debt
- 7.9% Hybrid property (UK direct & REITs)
- 3.9% Commodities
- 3.4% Global listed property
- 16.9% Climate aware global emerging market equities

Top 10 shareholdings

Company	Percentage within equities
APPLE	2.5%
MICROSOFT	2.3%
ALPHABET	1.4%
TAIWAN SEMICONDUCTOR MANUFACTURING	1.1%
AMAZON.COM	1.1%
NVIDIA	1.0%
TESLA	0.7%
SAMSUNG	0.7%
TENCENT	0.7%
META	0.7%

69.8% of this fund is allocated to global equities portfolio.

Investment performance



● Annualised total return net of Nest annual management charge

Performance information reflects all the money in this fund rather than your individual pension pot.

Risk measures

5 year annualised volatility

12.0%

Nest Sharia Fund

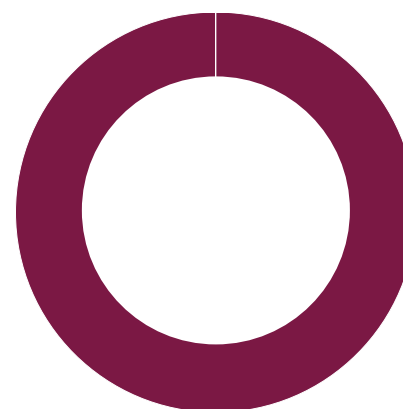
Fund overview

The investments in this fund are screened by Islamic scholars to meet Sharia standards. Lifestyling and diversification at the asset allocation level are not currently possible for this fund as it invests entirely in a single asset class.

Fund objectives

- provide a fund with an investment approach based on Islamic law
- expect a long-term volatility average of 22%
- grow a member's pot in real terms over the course of their savings career

Asset allocation



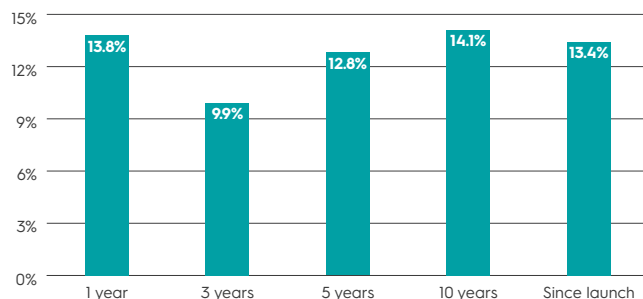
● 100% Sharia compliant equities

Top 10 shareholdings

Company	Percentage within equities
MICROSOFT	7.7%
APPLE	7.6%
ALPHABET	6.6%
AMAZON.COM	5.3%
NVIDIA	4.9%
TESLA	3.2%
META	3.1%
EXXON MOBIL	2.1%
ELI LILLY & CO	2.0%
JOHNSON & JOHNSON	1.7%

100% of this fund is allocated to global equities portfolio.

Investment performance



● Annualised total return net of Nest annual management charge

Performance information reflects all the money in this fund rather than your individual pension pot.

Risk measures

5 year annualised volatility

14.1%

Nest Lower Growth Fund

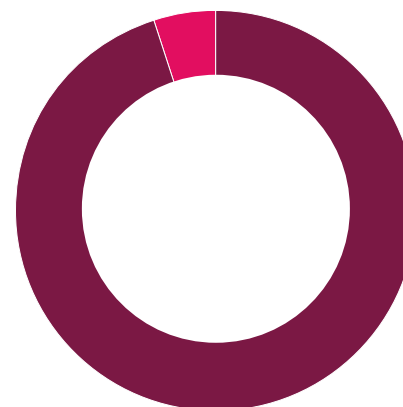
Fund overview

This fund is provided for members who are very cautious about investing and are prepared to accept their pot will not grow very much. The aim of the fund is to maintain the value of members' savings after all scheme charges over the long term. It may not keep up with the rising cost of living.

Fund objectives

- preserve the nominal value of contributions after all scheme charges over the long term and grow the fund in line with low-risk money market investments
- expect a long-term volatility average of 0.5%

Asset allocation



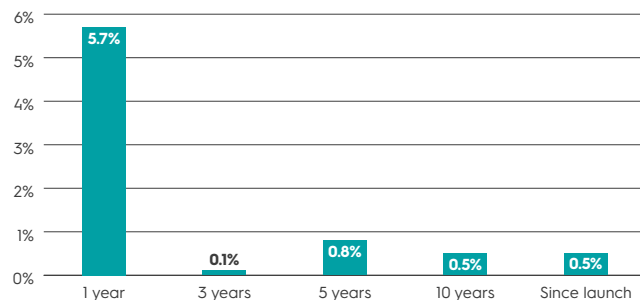
- 95.0% Short duration UK investment grade bonds
- 5.0% Global short duration investment grade bonds

Risk measures

5 year annualised volatility

2.2%

Investment performance



● Annualised total return net of Nest annual management charge

Performance information reflects all the money in this fund rather than your individual pension pot.

Nest retirement funds

These two funds are aimed at members past State Pension age, who are able to withdraw their Nest pension savings. Both funds are designed to be more cautious with members' savings and allow for members to easily withdraw all or some of their funds.

Nest Guided Retirement Fund

Members who are in Nest's default Retirement Date Funds (RDF) and meet the criteria will be automatically moved into this fund once their RDF closes. You can choose a different fund or choose to transfer your money out of Nest at any time.

Fund overview

The Nest Guided Retirement Fund (NGRF) is available for members to join between age 60 and 70 if they have £10,000* or more in their pot. This fund is a key part of Nest's post-retirement phase and aims to invest members' money suitably for their needs throughout retirement. Nest's Investment Committee annually reviews the fund to ensure the rate of money distributed is sustainable for members.

The NGRF is split into four parts:

- When members join the fund, 10% of their initial pot is invested in the Safe to keep aside for emergencies.
- The rest is invested in the Vault and is gradually distributed to the Wallet and the Later Life fund over time.
- The Vault is invested in growth assets with the aim of making the money last through to age 85, while transferring a steady amount each year to the Wallet for members to withdraw.
- The Later Life fund is invested for members to buy an annuity with at age 85 if they choose, to ensure their money lasts for life.

For more details on how each part of the fund works, download this [NGRF factsheet](#) from the Nest website.

* Members with less than £10,000 in their pot will be eligible for the Nest Post Retirement Date Fund.

Fund objectives

Vault

- target investment returns equivalent to CPI and cover all scheme charges over the long term
- provide a predictable and sustainable amount of money that can be transferred to the Wallet every year through to age 85

Wallet

- low investment risk and highly liquid in order for members to take a series of withdrawals over the short term

Safe

- preserve the nominal value of contributions and grow the fund in line with low-risk money market investments

Money for later life

- track the underlying performance of annuity assets in order to allow members to purchase a single life flat rate annuity at age 85

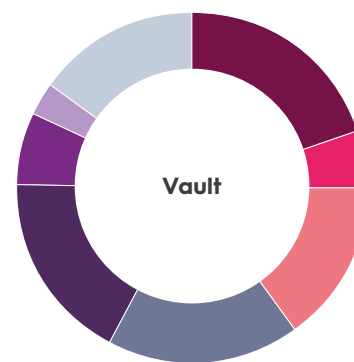
Vault risk measures

5 year annualised volatility

8.3%^Δ

^Δ Since launch March 2020

Asset allocation



A proportion of the foreign currency exposure is hedged in our developed market credit funds, global developed equity fund and our private market funds.

- 20.0% Climate aware global developed equities
- 5.1% Low-risk sterling liquidity
- 15.1% Sterling corporate bonds
- 17.6% Global high yield bonds
- 17.5% Emerging market debt
- 6.9% Hybrid property (UK direct & REITs)
- 2.8% Global listed property
- 15.0% Global investment grade bonds

Wallet



● 100% Low-risk sterling liquidity

Safe



● 100% Low-risk sterling liquidity

Later life



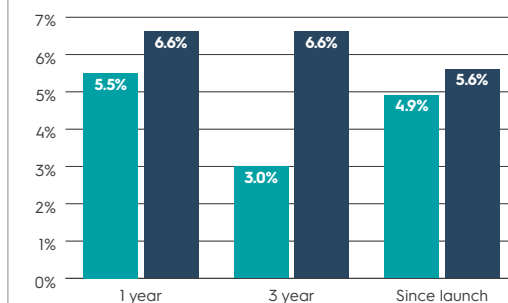
- 35.0% Global investment grade bonds
- 34.9% Sterling corporate bonds
- 30.1% Low-risk sterling liquidity

Vault top 5 shareholdings

Company	Percentage within equities
APPLE	0.9%
MICROSOFT	0.9%
ALPHABET	0.5%
AMAZON.COM	0.4%
NVIDIA	0.4%

20.0% of the Vault is allocated to a global equities portfolio. A member's individual exposure to equities will depend on their age and what proportion of their pot is still in the Vault.

Vault investment performance



- Annualised total return net of Nest annual management charge
- Benchmark CPI

Post Retirement Date Fund – Series 2

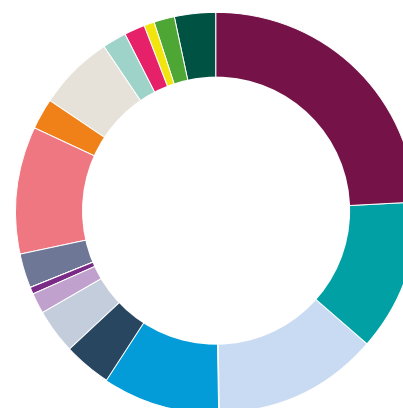
Fund overview

This fund is for those members who have not chosen to withdraw all their savings, under £10,000, when their Nest Retirement Date Fund matures. The aim of the fund is to grow members' savings in line with increases in the cost of living over the long term after all scheme charges.

Fund objectives

- preserve the real value of contributions after all scheme charges over the long term
- expect a long-term volatility average of 6%

Asset allocation



A proportion of the foreign currency exposure is hedged in our developed market credit funds, global developed equity fund and our private market funds.

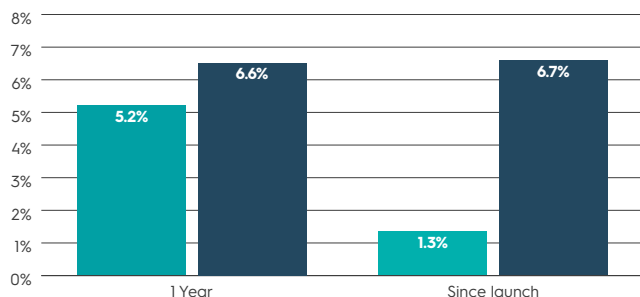
- 24.3% Climate aware global developed equities
 - 12.2% Sterling corporate bonds
 - 13.4% Short duration UK investment grade bonds
 - 9.5% Low risk sterling liquidity
 - 3.7% Global high yield bonds
 - 3.6% Emerging market debt
 - 1.8% Hybrid property (UK direct & REITs)
 - 0.5% Commodities
 - 2.8% Climate aware global emerging market equities
 - 10.1% Global investment grade bonds
 - 2.5% Private credit
 - 6.3% Short duration investment grade bonds
 - 1.7% Infrastructure equity
 - 1.7% Infrastructure equity – renewables
 - 0.9% Private equity
 - 1.8% Property Income
 - 3.1% Short Duration Gilts
 - 0.1% Global listed property
 - 0.0%* Derivatives
- *Derivative fund at 0.0025%

Top 10 shareholdings

Company	Percentage within equities
APPLE	1.1%
MICROSOFT	1.0%
ALPHABET	0.7%
AMAZON.COM	0.5%
NVIDIA	0.5%
TESLA	0.3%
META	0.3%
BERKSHIRE HATHAWAY	0.3%
UNITEDHEALTH GROUP	0.2%
ELI LILLY & CO	0.2%

27.1% of this fund is allocated to global equities portfolio.

Investment performance



- Total return since launch net of Nest AMC^a
- Benchmark CPI

Performance information reflects all the money in this fund rather than your individual pension pot.

^a Since launch July 2022

Risk measures

5 year annualised volatility

5.0%

Overall exposure to underlying funds

Asset class*	Investment approach	Fund name	Benchmark**	ISIN	Exposure to asset class as at Sept 2023***
Commodities	Active	CoreCommodity/ Nest Program	Commodity Index Total Return	N/A	1.4%
Climate aware global developed equities	Systematic	UBS/Nest Climate Aware Global Developed Equities Strategy	FTSE All World Developed ex tobacco Index 50% hedge to GBP	N/A	44.0%
Climate aware global emerging market equities	Systematic	Northern Trust/Nest Climate Aware Emerging Market Equities Strategy	MSCI Emerging Markets Custom Climate Aware Index	N/A	4.9%
Derivatives	Active	Amundi Efficient Portfolio Management	N/A	N/A	0.006%
Direct property Income	Active	LGIM LPI Income Property Fund	MSCI/IPD UK Quarterly All Balanced Property Funds Index	GB00B6V68591	0.6%
Emerging market debt	Active	Amundi Funds Emerging Markets Blended Bond	50% JPM EMBI Global Diversified Hedged/50% JPM ELMI Plus	LU1361117796	4.4%
Ethical global equities	Active	CT Responsible Global Equity Fund	MSCI World Index	GB0033145045	0.6%
Ethical sterling corporate bonds	Active	CT Responsible Sterling Corporate Bond Fund	iBoxx Sterling Non-Gilt Index	GB00B23YHV29	0.2%
Fixed interest gilts	Active	Royal London Short Duration Gilts Fund	FTSE Actuaries UK Conventional Gilts - Up to 5 Years	GB00BP83NC89	0.4%
Global investment grade bonds	Active	Allspring/Nest Climate Transition Global Investment Grade Corporate Bond Strategy	Global Aggregate Corporate Index GBP Hedged	N/A	6.9%
Global short duration investment grade bonds	Active	Allspring/Nest Climate Transition Global Short Duration Investment Grade Credit Strategy	Global Aggregate Corporate 1-5 year Index GBP Hedged	N/A	1.3%
Global high yield bonds	Active	JPMorgan/Nest Global High Yield Corporate Bonds	ICE BofAML Non-Financial Developed Markets High Yield Constrained Index Hedged into GBP	N/A	4.4%
Global listed property	Passive	LGIM Global Real Estate Equity Index Fund	FTSE EPRA Nareit Developed Real Estate Index	GB00B6V63105	0.6%
Hybrid property (UK direct & REITs)	Active	LGIM Hybrid property (UK direct & REITs) (70:30) Fund	MSCI/IPD UK Quarterly All Balanced Property Funds Index/FTSE EPRA Nareit Developed Real Estate Index	GB00B6V67X08	5.7%
Low-risk sterling liquidity	Active	BlackRock ICS Sterling Liquid Environmentally Aware Fund (LEAF)	Sterling Overnight Index Average	IE00BKC9GJ54	3.7%
Low-risk sterling liquidity (ethical)	Active	LGIM Sterling Liquidity Fund	Sterling Overnight Index Average	GB00B6V65F85	0.5%
Private credit	Active	Amundi Global Commercial Real Estate Debt Fund	3 Month SONIA	N/A	0.8%
Private credit	Active	BlackRock GBP Infrastructure Debt Fund GP LLP	3 Month SONIA	N/A	1.3%

* A proportion of the foreign currency exposure is hedged in our developed market credit funds, global developed equity fund and our private market funds

** Where applicable

*** Figures shown to 1 decimal place and may be affected by rounding

Overall exposure to underlying funds

Continued

Asset class*	Investment approach	Fund name	Benchmark**	ISIN	Exposure to asset class as at Sept 2023***
Private credit	Active	BNP Diversified Private Credit Fund S.C.Sp. SICAV-RAIF	3 Month SONIA	N/A	1.5%
Private equity	Active	Schroders Wollstonecraft L.P.	N/A	N/A	1.0%
Private equity	Active	HarbourVest Nest Co-Investment L.P.	N/A	N/A	0.9%
Infrastructure equity - renewables	Active	Octopus Energy Generation Renewables Infrastructure SCSp	N/A	N/A	1.6%
Infrastructure equity - renewables	Active	Octopus Renewables Infrastructure Partnership V L.P.	N/A	N/A	0.7%
Infrastructure equity	Active	CBRE Caledon Capital Management	N/A	N/A	2.2%
Infrastructure equity	Active	GLIL LLP	N/A	N/A	0.5%
Sharia compliant equities	Passive	HSBC Islamic Global Equity Index Fund	100% Dow Jones Islamic Titans 100 Index	IE000FBTQ920	0.8%
Sterling short duration investment grade bonds	Active	BlackRock Institutional Sterling Ultra Short Bond Fund	3 Month SONIA	IE00BFZD2350	1.7%
Sterling short duration investment grade bonds	Active	Royal London Investment Grade Short Dated Credit Fund	ICE BofAML 1-5 year Sterling Non-Gilt Index	GB00BDR6MS36	2.6%
Sterling corporate bonds	Active	Royal London UK Corporate Bond Fund	iBoxx Sterling Non-Gilt Index	GB00B7N8ML46	4.7%
UK direct property	Active	LGIM Managed Property Fund	MSCI/IPD UK Quarterly All Balanced Property Funds Index	GB00B6V5QR44	0.1%

* A proportion of the foreign currency exposure is hedged in our developed market credit funds, global developed equity fund and our private market funds

** Where applicable

*** Figures shown to 1 decimal place and may be affected by rounding

Glossary

Annual management charge

This is a charge taken on the value of the whole of your Nest retirement pot each year. Nest has an annual management charge of 0.3%.

Asset allocation

This shows the different asset classes the fund invests in. An asset class is a group of investments or markets that are similar to each other, such as company shares (known as equities), property, or commodities. Investing in more assets generally means you're spreading investment risk.

Asset class

An asset class is a group of investments or markets that are similar to each other, such as shares, property or commodities.

Benchmark

This column in the performance chart on each fund page shows the names of the benchmarks around which the investment strategy for each particular building block fund is set.

Contribution charge

Contribution charges help cover the costs of running the scheme. Nest has a contribution charge of 1.8%.

Exposure to asset class

Exposure means how much of the total money that Nest manages is invested in each of these funds or asset classes across the portfolio.

Fund name

We use several funds as building blocks for the main fund that your pension pot is held in. Each of these has its own different area of focus, for example company shares, property or cash, and is managed by an external fund manager with specific expertise in that type of investment.

Fund objectives

Different funds have different goals. For example, funds for members who are about to retire are focused on protecting your savings rather than growing your money.

Investment approach

A passive investment approach will follow a popular market index such as the FTSE 100. This approach can benefit from the overall upward trend of markets and tends to have lower costs attached. An active approach is more hands on, where portfolio managers aim to beat the markets' returns.

Investment performance

These graphs show the average yearly performance of the fund over different time frames. They reflect the fund as a whole, not an individual's pension pot. That's because the performance of your pot depends on things like when you first joined the fund and when your contributions are paid in.

ISIN

ISIN stands for International Securities Identification Number. The number is used to track listed funds.

Glossary

Continued

Nest 2040 Retirement Fund

You'll be first enrolled into one of our default funds when you join Nest. Which one you go into will depend on your age at the time. The Nest 2040 Retirement Fund is one of our default funds and it's for members who are set to retire in 2040. Because that's still a long way off, we're taking more risk to try to grow your savings as quickly as we can. That's why we call this the 'growth phase'. We've chosen to display the 2040 fund on this factsheet because most of our members will be in a growth phase fund for quite a lot of time.

We have a different default fund for each year a member could retire. Please remember that your individual pension pot only makes up a part of the overall fund you're in. The performance therefore reflects how all the money in the fund has performed rather than your individual pension pot.

Nest funds underlying holdings

We provide a breakdown of the underlying holdings for every fund we offer. These can be viewed and downloaded from the website.

Realised risk and return of Nest's funds

We believe there's no point taking more risk than needed with your money unless there's a higher chance of making it grow. The chart on [page 3](#) compares how risky each fund has been against how well it's delivered over the last five years. The further left a fund is, the more sharply it has risen and fallen in value over that time. The higher a fund is, the more profitable it has been.

Responsible Investment

We put responsible investing at the heart of what we do, taking environmental, social and governance (ESG) issues into account when deciding where to put members' money. While we apply this approach across nearly all the money we invest on members' behalf, we take a different approach in our Ethical and Sharia funds to match the specific objectives of those funds.

The commentary in the introduction of this report highlights the activities taken in the quarter by Nest's responsible investment team to keep your money safer and grow it more sustainably over the long term.

Risk measures

Realised volatility measures how much the price of the fund moves every day, regardless of whether it's rising or falling. Riskier investment approaches are likely to be more volatile.

Top 10 shareholdings

This lists the top 10 companies the fund holds shares in, otherwise known as equities. These top holdings are worked out from our equity allocation and doesn't include companies we may invest in via other asset classes, such as property.

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