

# Investing with **NEST**

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A review of how your money is invested  
and the fund choices available

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# How NEST invests your money

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When you join NEST<sup>1</sup> we'll automatically invest your retirement pot in one of our NEST Retirement Date Funds. These are designed to suit most NEST members.

Over the time your money is in NEST, we try to make sure we invest it in the right place at the right time so it's ready for your NEST retirement date.

We aim to make your retirement pot grow throughout your time saving with us, but it's important to remember the value of your retirement pot could go down as well as up.

If you'd like more guidance on making decisions about investing, visit the Money Advice Service website at:

[www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk)

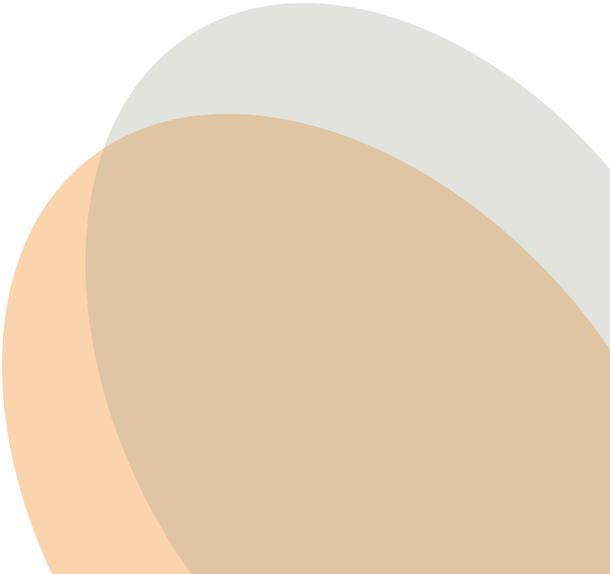
## How NEST Retirement Date Funds work

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When you join, we'll start investing your money in a fund that we believe is suitable for most people of your age. This is called a NEST Retirement Date Fund. NEST has a Retirement Date Fund for every year when we expect members to take their money out.

Your NEST retirement date is the date we expect you to take your money out of NEST. If your NEST retirement date is in 2054, we will invest your pot in the NEST 2054 Retirement Fund. If you want to choose another NEST retirement date, you just need to tell us and we will automatically move your retirement pot into the fund that matches this new date. NEST Retirement Date Funds aim to give you a steady return on your money and make your retirement pot grow in the long term.

<sup>1</sup> We use the term NEST to refer to the scheme's legal name, the National Employment Savings Trust. We sometimes also use it to refer to the scheme's Trustee, the National Employment Savings Trust Corporation.



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## How do we manage your retirement pot?

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NEST's investment experts will carefully manage your NEST Retirement Date Fund at every stage of your membership.

We adjust how and where we invest your money based on your NEST retirement date and what's happening to different types of investments at the time.

If you join in your 20s you'll typically spend up to five years in the Foundation phase. In this phase we concentrate on protecting your retirement pot while you get used to the idea of investing. After a few years of building your savings, we'll invest your money to aim for faster growth.

If you join later than this, we'll move straight to an approach that aims to get your money working and grow your retirement pot more quickly. There's more uncertainty about how your investments will perform but it's a good time to take more investment risk while you're still a long way from when you plan to take your money out.

As you approach your NEST retirement date we'll gradually reduce the level of investment risk again. We do this to help make sure there are no big ups and downs as you get closer to taking your money out. However, we'll also aim to look after your money so it keeps growing.

NEST takes care of your money for you, so all you need to do is keep contributing. However, you may want to invest your retirement pot in a different retirement fund because of personal preferences or circumstances.

You can find out more about the types of other funds NEST offers over the page.



# Other ways to invest in NEST

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NEST Retirement Date Funds are designed to suit most of our members. However, we offer other funds for members who have certain preferences about how we invest their money.

- NEST Ethical Fund
- NEST Sharia Fund
- NEST Higher Risk Fund
- NEST Lower Growth Fund
- NEST Pre-retirement Fund

Like any investment, the value of your retirement pot could go up or down. For more information on savings and investments, please visit the Money Advice Service website at: [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

## NEST Ethical Fund

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### Who's it for?

This fund is designed for members who are concerned about the impact that organisations have on the environment and on society, in areas such as human rights and fair trade.

### How does the fund work?

This fund will only put your money into companies that we believe have high ethical standards, but our investment experts can still combine different types of investment at different stages to help your money grow.

This will include company shares as well as other types of investment that tend to grow steadily but more slowly which we believe are in keeping with the ethical principles of the fund.

Like NEST Retirement Date Funds, if you choose the NEST Ethical Fund we'll move your money through different types of investment as you save. The Ethical Fund automatically switches your investments on a fixed set of dates, taking your retirement pot through three broad stages according to your age or expected retirement date.

When you're younger we'll invest your pot in higher proportions of less risky types of investment to help build a solid foundation for your savings. In the middle part of your savings career we'll look to grow your ethical pot more quickly.

As you approach your NEST retirement date we'll gradually invest your retirement pot in higher proportions of types of investment that carry less investment risk. This helps to make sure the money you've built up is ready for you to use when you want to take your money out.

While we'll be trying to grow your NEST Ethical pot in a similar way to the NEST Retirement Date funds, the investment journey may be bumpier, and the chances of the value of your retirement pot going down as well as up are higher.



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## NEST Sharia Fund

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### Who's it for?

This fund is designed for members who want to invest in a way that complies with Sharia principles.

### What is the NEST Sharia Fund?

Sharia rules out some types of investment. The investments in this fund are screened by Islamic scholars to make sure they meet sharia standards. For example it doesn't invest in companies that make money out of alcohol, pornography or pork products. It also avoids types of investments that pay or receive interest.

### How does the fund work?

This fund invests in company shares, which may result in bigger rewards but also means more uncertainty about the final value of your pot. It's important to remember the value of your retirement pot could go down as well as up.

## NEST Higher Risk Fund

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### Who's it for?

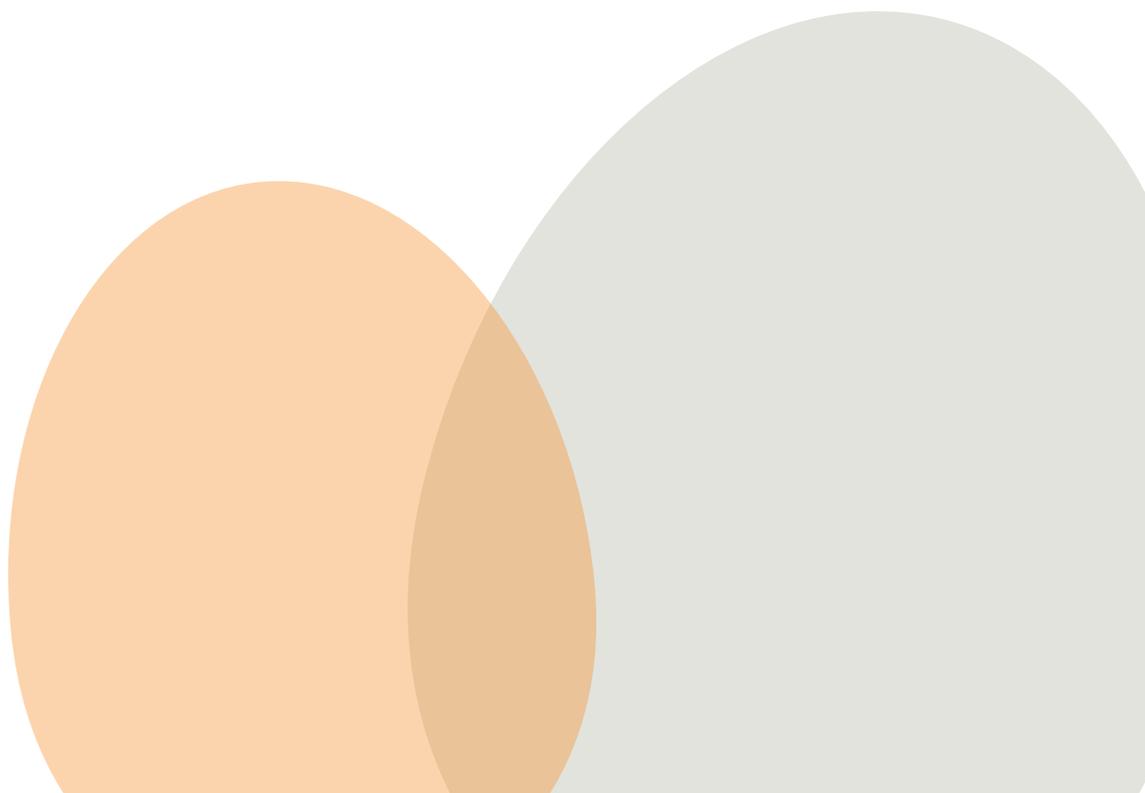
The NEST Higher Risk Fund is designed for members who are prepared to take more investment risk to try and make their retirement pot grow more.

### How does the fund work?

The fund aims to make your retirement pot grow by investing more of your pot in higher risk investments.

The fund is also invested in a range of different types of investments so it's slightly lower risk than putting all your money on the stock market.

Our aim is to get a higher return on your investment but it also means a greater chance you could get less than you put in and have more uncertainty while you save.



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## NEST Lower Growth Fund

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### Who's it for?

The NEST Lower Growth fund is designed for members who are very cautious while investing so your retirement pot will be exposed to less investment risk.

### How does the fund work?

NEST Retirement Date Funds invest your retirement pot in things like company shares, which can go down in value as well as up.

If you're sure you don't want any of this kind of risk, you may prefer The Lower Growth fund. In this fund, we'll invest more of your money in less risky investments than in any of the other funds.

This means that your retirement pot will be exposed to less risk and won't be as likely to go down during your time with NEST. However, there's a greater risk that your pot could lose its buying power by the time you take your money out. This is because there's more chance it may not grow as quickly as prices go up.

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## NEST Pre-retirement Fund

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### Who's it for?

The NEST Pre-retirement Fund is an option for members who start saving with NEST when they're within a few years of their NEST retirement date. It's designed for members who plan to take a retirement income with some or all of their pot, rather than take it all as a cash lump sum.

### How does the fund work?

If a member joins with only a few years until their NEST retirement date, there'll be less opportunity to build their retirement pot. For many members who'll reach their NEST retirement age in the first few years of the scheme, it may be most appropriate to take their money out as a cash lump sum.

This is because buying a retirement income may not be possible or suitable for them.

For this reason, the NEST Retirement Date Funds that apply to these members will invest in ways designed for taking a cash lump sum at their NEST retirement date.

However, some members with smaller pots may still want to buy a retirement income. For example, they might want to combine the money in their NEST retirement pot with money they have in other pension schemes.



### Further information

If you'd like to switch to one of NEST's other funds you need to log on at [www.nestpensions.org.uk](http://www.nestpensions.org.uk)



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[nestpensions.org.uk/contactus](http://nestpensions.org.uk/contactus)