

INVESTING FOR 4 MILLION MEMBERS

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Where are we now?

Employers



349,000+

Members



4.7m+


Assets under management




£1.7bn



What do our members want?



Big falls could stop
me saving



It needs to be
low cost, but not
compromise on
quality





In an ever-changing global landscape

- Climate change
- Digital disruption
- Brexit
- US election
- Greek debt crisis re-emerging?
- Short term political announcements
- Interest rate changes
- Political tensions



How do we deliver a smoother savings journey?

- Strategically – asset allocation decisions
- Dynamically – risk management
- Tactically – we DON'T do this

Strategic approach

FINANCIAL TIMES

UK workplace pension invests in climate-aware fund

Nest scheme in strategic push to protect retirement savings from environmental change

“FTfm



theguardian

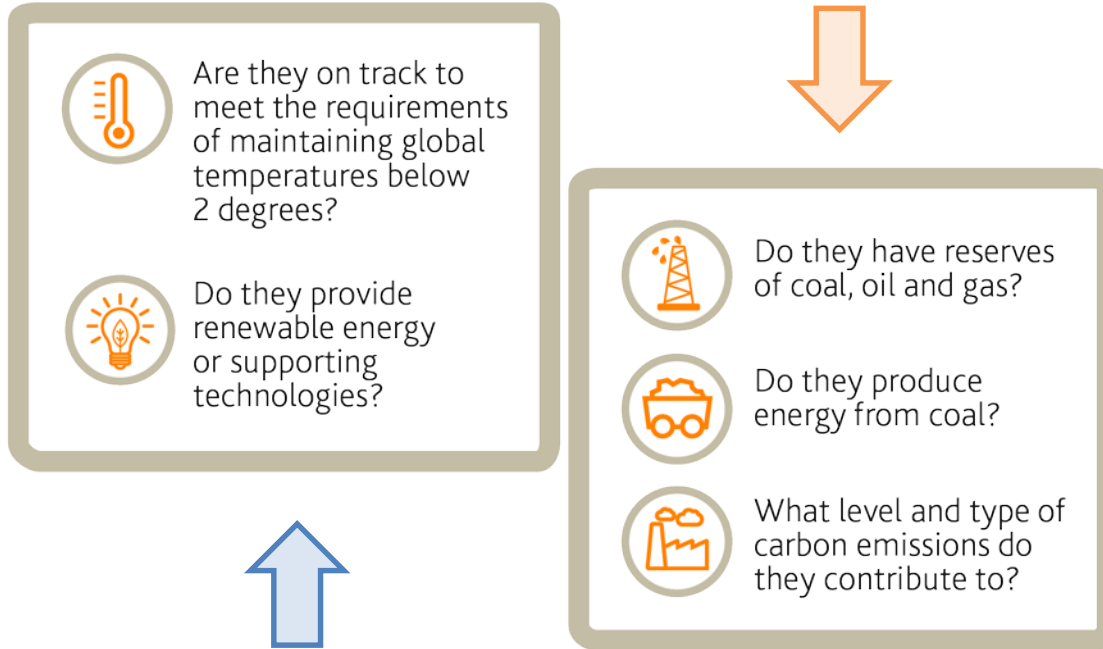
Government pension scheme begins ditching oil and gas investments

National Employment Savings Trust to move investments into new climate change fund and scale back shares in firms such as Shell and ExxonMobil



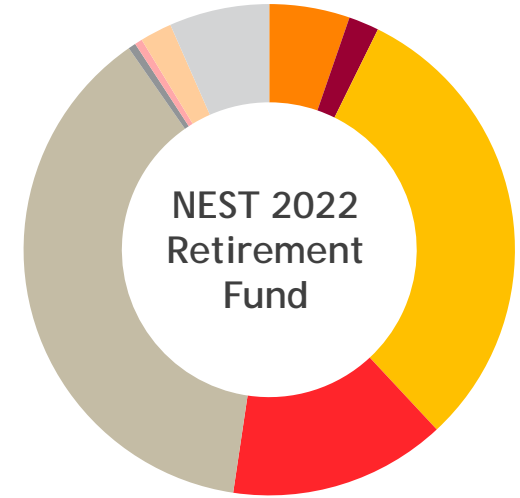
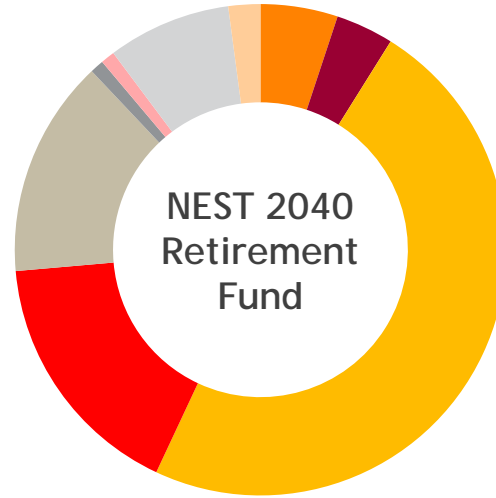
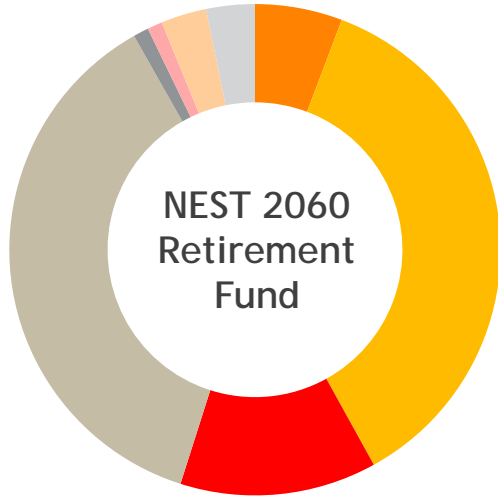
Strategic approach

UBS Life Climate Aware Fund



Strategic approach

Diversification through the phases



- Emerging market debt
- Property
- UK gilts

- Emerging market equities
- Sterling investment grade bonds
- Money market investments

- Developed market equities
- UK index-linked gilts
- Short dated investment grade bonds

Data as at December 2016





Dynamic approach

Our risk map indicators

Economy

Inflation

**Investor
sentiment**

Political risk

Default risk

Valuation

**Cost of
borrowing**

Leverage

ESG

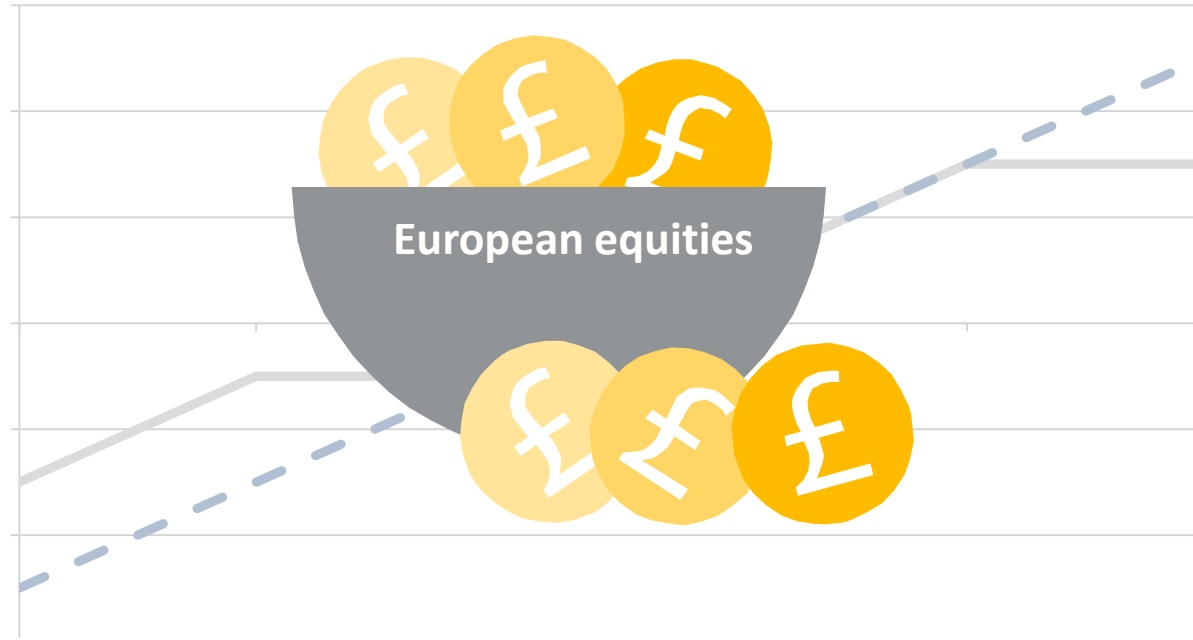
Concentration

Volatility


Liquidity

Dynamic approach


Protection payoff profile



High quality, low cost



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quality



Delivering value





Delivering value

BLACKROCK



BMO Global Asset
Management

HSBC 



STATE STREET



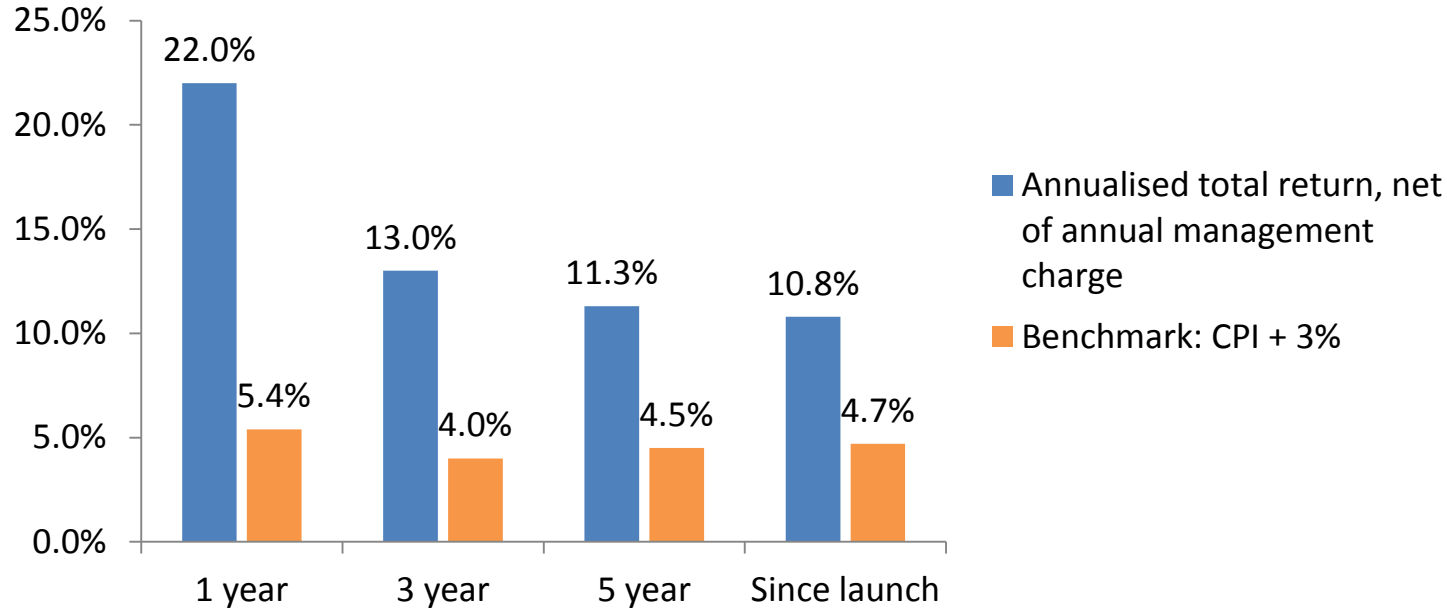
Amundi
ASSET MANAGEMENT



Northern Trust | Asset Management

How is it stacking up?

NEST 2040 Fund



Data as at March 2017

And factoring in volatility...

To end November 2016	1yr	2yr	3yr	5yr
Aegon	2.53	1.46	1.74	-
Aviva	2.03	1.33	1.75	1.49
B&CE (The People's Pension)	2.67	1.45	1.48	-
Friends Life	3.08	1.78	2.16	-
LGIM	4.61	1.96	2.19	-
NEST	4.00	2.32	2.81	2.87
Prudential	2.34	-	-	-
Royal London	1.88	1.43	1.77	1.84
Scottish Widows	2.18	1.18	1.35	1.50
Standard Life	1.33	1.09	1.59	-

Source: data from Morningstar, ONS, B&CE and NEST; calculations by Defaqto; Data to end of Nov 2016

Questions?

