# Nest virtual roundtable

Investment update: How Nest is investing in innovation to deliver stronger member outcomes

**Elizabeth Fernando,** Chief Investment Officer, Nest Invest
**Kerry Nicolaides**, Head of Member Retirement Propositions
**Laura Gould,** Head of Product (Member)

**Hosted by**: Peter Jackson, Business Development Manager

Tuesday 14th July 2026

# Welcome
## Today's agenda

1. Our retirement proposition
2. Investment update
3. Q&A

# Our retirement proposition

Kerry Nicolaides & Laura Gould

nestpensions.org.uk

# Development of new retirement products and services

## A more complete retirement offer and stronger later-life support for your employees.

- Nest is continuing to invest in new retirement products and services, helping you offer stronger support to employees as they move towards and through retirement.

- Starting with the introduction of **flexible access drawdown…**

- **Who:** Members aged **55+** with **£5k+** pot size, especially those who want to access tax-free lump sum and flexible income options.

- **What:** Flexible access drawdown is a way for members to take up to 25% tax-free cash in one go and draw income as needed while the rest stays invested.

- **Why:** Members want flexibility, clarity and tax-efficient access.

- **When:** Launching Q4 2026

**Why does it matter to our members?**

Flexible access drawdown allows members to consider all their retirement options in one place at Nest.

A way for your employees to access their pension savings more flexibly in retirement.

They can choose how and when to take money - as lump sums, a regular income, or both.

It is widely understood and a common method used to access their pension savings.

# In detail: Flexible Access Drawdown

## What is Flexible Access Drawdown?

**What:** Flexible access drawdown (FAD) allows members **to take up to 25% of their pension pot tax-free** while leaving the remainder invested to access in the future as regular income payments or single lump sums

**When:** Members **must have reached the minimum pension age** (currently 55) to be eligible, unless they have been granted early access on the grounds of ill health

**Why: Drawdown gives members the flexibility** to manage payments from their pension pot to suit their needs; although as payments aren't 'guaranteed', their pot may may not last if they live longer than expected or take out too much.

## Why does it matter to our members?

Flexible access drawdown closes the loop for our members and allows them to consider all their Retirement options in one place at Nest. It is widely understood and a common method used by members to access their pension.

It enables members to access their tax-free lump sum without triggering issues around future contributions or tax impact.

We are including several items with the FAD delivery to ensure our members get the right outcome:

1. Refreshed Retirements experience
2. A tool to manage and set income when utilising FAD
3. Fully refreshed retirement communication strategy; and
4. Update and refine all processes.

**723k members will be able to access FAD on launch***

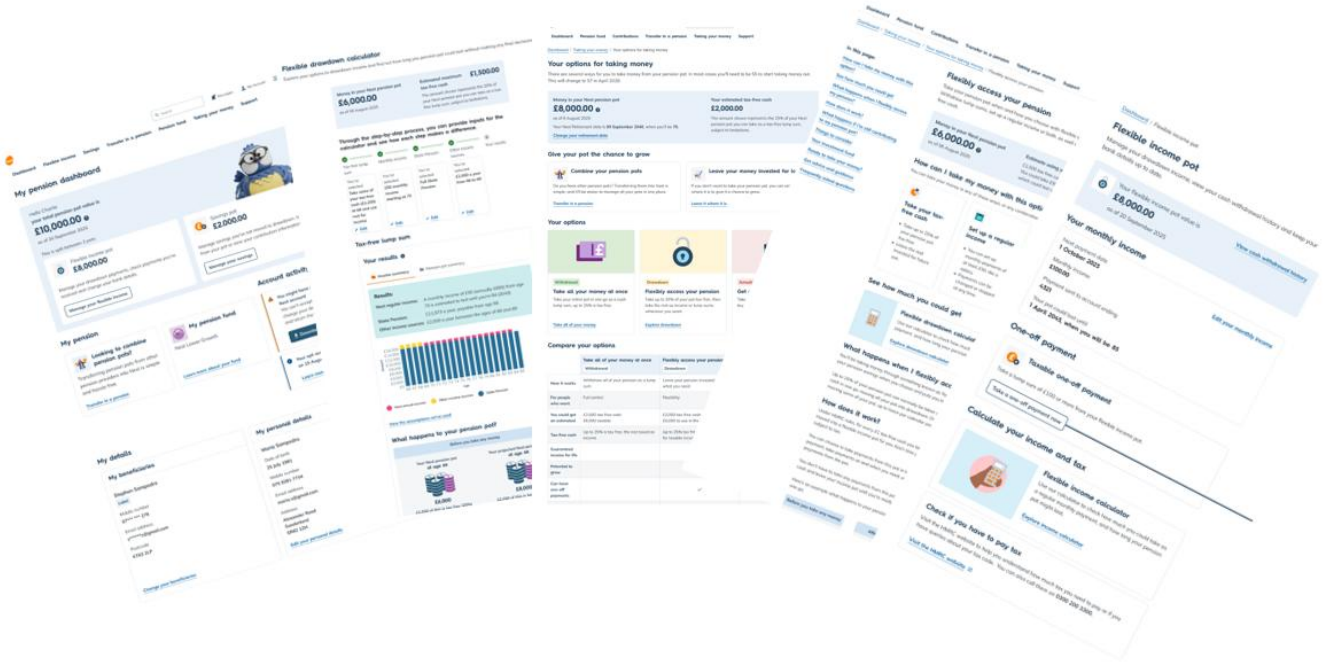
**Our new journeys, tools and comms will improve outcomes for 2.3m members***

# In detail: Flexible Access Drawdown

## Members need to be equipped with the tools and functionality to manage their income in retirement

### Key changes being introduced for our members

- Transformed digital experience; new presentation format to options & accompanying information, new 'planning' pages to support financial & wellbeing planning, new format to member dashboard for members in drawdown
- Transformed communication experience including refreshed 'Wake-Up' and road to retirement engagement communications
- Introduction of a new drawdown calculator to enable members to manage their money, before and after entering drawdown
- Introduction of push payment functionality, to allow regular income payments to be made proactively to members once setup
- Introduction of income management functionality to allow members to start/stop income, manage banking information, see past and future payment activity



# In detail: Flexible Access Drawdown

Members need to be equipped with the tools and functionality to manage their income in retirement

## Digital Experience

### Your options for taking money

There are several ways for you to take money from your pension pot. In most cases you'll need to be 55 to start taking money out. This will change to 57 in April 2028.

Money in your Nest pension pot
**£8,000.00**
as of 6 August 2025
Your Nest Retirement date is **9 September 2040**, when you'll be **70**.
Change your retirement date

Your estimated tax-free cash
**£2,000.00**
The amount shown represents the 25% of your Nest pension pot you can take as a tax-free lump sum, subject to limitations.

### Give your pot the chance to grow

**Combine your pension pots**
Do you have other pension pots? Transferring them into Nest is simple, and it'll be easier to manage all your pots in one place.
Transfer in a pension

**Leave your money invested for longer**
If you don't want to take your pension yet, you can simply leave it where it is to give it a chance to grow.
Leave it where it is

### Your options

Withdrawal
**Take all your money at once**
Take your entire pot in one go as a cash lump sum, up to 25% is tax free.
Take all of your money

Drawdown
**Flexibly access your pension**
Take up to 25% of your pot tax-free, then take the rest as income or lump sums whenever you want.
Explore drawdown

Annuity
**Get a guaranteed income**
Take up to 25% of your pot tax free, then buy an annuity with the rest.
Learn about annuities

### Compare your options

| | Take all of your money at once<br>Withdrawal | Flexibly access your pension<br>Drawdown | Get a guaranteed income<br>Annuity |
|---|---|---|---|
| How it works | Withdraw all of your pension as a lump sum | Leave your pension invested and take what you need | Buy a guaranteed income for life or fixed term |
| For people who want | Full control | Flexibility | Certainty |
| You could get an estimated | £2,000 tax-free cash<br>£6,000 taxable | £2,000 tax-free cash<br>£6,000 to use in the future | £2,000 tax-free cash<br>£6,000 to buy an income |
| Tax-free cash | Up to 25% is tax free, the rest taxed as income | Up to 25% tax free, the rest is invested for taxable income | Up to 25% is tax free, the rest taxed as income by your provider |
| Guaranteed income for life | | | ✓ |
| Potential to grow | | ✓ | |
| Can have one-off payments | | ✓ | |
| Can have regular payments | | ✓ | ✓ |
| Can leave money to loved ones | | ✓ | Typically only with certain annuity types |
| | Take all of your money | Explore drawdown | Learn about annuities |

### Planning for your financial future

Before making any pension choices, it's important to consider how much money you're likely to receive, and how much you'll need to spend. You should also think about how your life might change once you start winding down from work.

Taking money from your pension might also affect how much tax you pay, and may als reduce your payments if you're receiving means-tested benefits.

**How much could you get at retirement?**
We'll help you figure out how much money you're likely to have in later life, from your State Pension, other pensions and savings.
Work out what you might receive

**How much do you need in your pension pot?**
Think about how much money you might need to spend in once work slows down, using some figures from independent experts.
Think about what you'll need

**Adjusting to retirement**
Consider how your life might change when your job isn't the main focus of your days.
Consider your life in retirement

**Your pension and tax**
Understand what's tax-free, what you'll have to pay tax on, and what could push you into a higher tax band.
Understand pensions and tax

**If you're receiving means-tested benefits**
Taking money from your pension can reduce the amount of means-tested benefits you get. Discover the potential impacts before you take money out.
See how your benefits might be affected

Calculate your future income

### How much could I get at retirement?

**In this page:**

- Check your State Pension forecast
- Check your private pensions
- Think about any other sources of cash or income
- Work out how much you might get
- Why this matters

**Summary**
We'll help you figure out how much money you're likely to have in later life, from your State Pension, other pensions and savings.

Knowing what you're likely to receive once work slows down can make a real difference. Even a rough idea helps you feel more in control and gives you confidence about the choices ahead.

You don't need to have all the answers right now. But taking some time to see the full picture can make things feel a bit more manageable. Doing this every few years, particularly if your circumstances change, helps you stay on top of things.

#### 1. Check your State Pension forecast

For many, a large part of their retirement income will be from the State Pension. This is paid by the government and is separate from your workplace or personal pension.

**Full State Pension for 2025/26**

**Receive £11,973 a year**
or £230.25 a week

**You'll need 35 years**
of National Insurance contributions

You can check how much you're likely to get using the government's forecast tool.

It will show you:

- when you'll reach State Pension age
- how much you're likely to receive each week
- whether you have any gaps in your National Insurance record and how to top them up, if needed

#### 2. Check your private pensions

**Your Nest pension**

The best way to see how much you've got now and how much you could get in the future is by using our pension calculator.

### Flexible income pot

Manage your drawdown income, view your cash withdrawal history and keep your bank details up to date.

Your flexible income pot value is
**£8,000.00**
as of 20 September 2025
View cash withdrawal history

### Your monthly income

Next payment date
**1 October 2025**
Edit your monthly income

Monthly income
**£100.00**

Payment sent to account ending
**4321**

Your pot could last until
**1 April 2045, when you will be 85**

### One-off payment

**Taxable one-off payment**
Take a lump sum of £100 or more from your flexible income pot.
Take a one-off payment now

### Calculate your income

**Flexible drawdown calculator**
Use our calculator to check how much you could take as a regular monthly payment, and how long your pension pot might last.
Explore drawdown calculator

**Check if you have to pay tax**
Visit the HMRC website to help you understand how much tax you need to pay or if you have queries about your tax code. You can also call them on **0300 200 3300.**
Visit the HMRC website

# In detail: Flexible Access Drawdown

Members need to be equipped with the tools and functionality to manage their income in retirement

## Communication Experience – Wake up Pack

Mr. Firstname Secondname
Diligenta Ltd
Lynch Wood
PETERBOROUGH
PE26FY

28 March 2025

Hello Ainsley,

You have 6 months until your Nest retirement date. That's the date we think you'll start taking your money from.

Whether you're about to take your money or want to leave it where it is, we're here to make it easy for you to work out your next steps and manage your pension savings.

Member: **Ainsley Kemp**
Nest ID: **MEM011092386**

**Summary**

How much is in your pot:
**£5,293.20***

25% of this is your tax-free allowance:
**£1,234.56**

Your Nest retirement date is:
**12 May 2026**

Your money is invested in:
**Nest Lower Growth Fund**

### Are you retirement ready?

Get your questions answered, and explore the different ways you can take your money out at **nestpensions.org.uk/retirement**

Please scan the QR code with the camera on your smartphone or tablet.

### Want to leave your money where it is?

You can leave your money in your Nest pension pot until you need it. In fact, you can keep topping up your pot through work or personal contributions.

If you haven't started taking your money by 12 May 2026, well automatically move it to the Nest Post Retirement Fund. This fund is for people who plan to take their money out soon. It takes less investment risk so it's protected from big falls in value, but it's also less likely to grow.

If you won't be taking your money this year, then let us know by logging in and changing your Nest retirement date. This will make your money work harder, with the aim of giving you more to retire on. You can also invest your pension in a different Nest fund.

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nestpensions.org.uk 2

### Taking your money out

Not all of these options are available to you, based on how much you've got in your Nest pension pot. You can unlock some of them by topping up your pot or transferring other pension pots into Nest.

We don't pay your pension automatically, so you'll need to pick an option to receive your money.

There's more detail in the 'Taking your money out of Nest' booklet which you can download at **nestpensions.org.uk/taking-your-money-out-of-nest**

- **Take some of your money:** If you have **between £3,000 and £5,000** in your pot, you can take your pot in several lump sums. You'll receive 25% of each payment tax free, with the remaining 75% of each payment subject to income tax. This is known as uncrystalised funds pension lump sums (UFPLS).
- **Flexibly access your pension:** If you have **more than £5,000** in your pot, you can take your pension pot when and how you choose, whether you want lump sums, a regular income, or both. This includes your 25% tax-free lump sum. This is known as flexible access drawdown.
- **Take all of your money:** You can take your pension pot in one lump sum. Usually the first 25% of your pot is paid to you tax free. The remaining 75% is subject to income tax.
- **Get a guaranteed income:** An annuity pays you an agreed income for the rest of your life or for a fixed period. We don't offer annuities, but we can transfer your money to an annuity provider of your choice.
- **Nest Guided Retirement Fund**: We'll manage your pension savings for you, helping your money to last through retirement. You need to be at least 60 and under 70, and have **more than £10,000** in your pot for this option.
- **Transfer money into or out of Nest:** You can transfer money from or into another provider if you wish. We won't charge you for this, but your other provider might.

To see the exact options that are available to you based on how much is in your pot, log in at **nestpensions.org.uk/login**. You can use our calculators and tools to work out how each option affects your payments, any tax that you might have to pay, and how long your money will last.

The quickest and easiest way to set up your payments is through your online account.

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### What about tax?

Whichever option you choose, you can usually take up to 25% of your Nest pension pot as a tax-free lump sum. The remaining 75% is subject to income tax.

£5,293.20
Total

25% as a tax-free lump sum
**£1,323.30**

75% is subject to income tax
**£3,969.90**

When you take your money out, we'll deduct the tax and pay it straight to HM Revenue and Customs (HMRC) based on the tax code we have for you. However, you should check whether you've paid too much or too little based on your total income and personal tax allowance at **gov.uk/estimate-income-tax**

### Things to consider

- Like any investment, the total in your pension pot can go up or down depending on how the financial markets are performing.
- If you're taking a lot of money at once, it's worth thinking about whether you'll have to pay a higher rate of income tax than usual.
- If you have any debt or receive means-tested benefits, then taking money out of your pension might impact these. For more information about this, speak to the Citizens Advice Bureau at **citizensadvice.org.uk** or to Pension Wise. We have a QR code for them on the next page.

### Your lump sum allowance

The maximum you can take out from all your personal pensions, without paying any tax, is £268,275 This is the lump sum allowance set by the government.

If you've already used all of your lump sum allowance, then your whole pension pot will be taxed as income. When we receive your request, we'll let you know if this applies to you.

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### Get help from independent experts

We recommend you book a free appointment with Pension Wise as early as possible. It's an impartial service that offers guidance on pensions and tax, including the different ways you can take your money. We'll ask you whether you've spoken to them when you're setting up your payments.

Visit **moneyhelper.org.uk/pension-wise** or call them on **0800 138 3944** to speak to one of their pension specialists.

Kind regards,

The Nest Pensions team

* When it's time to take out your money, the actual value of your pension pot could be different from the amount on this statement. This is because the amount you get will be based on the value of your pot at the time we pay you. This could change if we get any last contributions to your pot or if the value of your fund goes up or down.



The value of investments may go down as well as up and the return of your investment is not guaranteed. You can't access the money in your pension until you're 55 (57 from April 6, 2028). Tax benefits are subject to change and depend on your personal circumstances. Any projections given are an estimate and not a guarantee. We do not give any undertaking or make any representation or warranty that this material is complete or error free. We do not accept responsibility for any loss caused as a result of any error, inaccuracy or incompleteness.

This document is strictly confidential and is only intended to be used by the intended recipient. If you have received this in error, please contact the sender and destroy it immediately after.

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**Section A**

**Your details**

**A6** **National Insurance number and date of birth**

National Insurance number

Date of birth

D D M M Y Y Y Y

**A7** **Bank details**

The account details should be for a valid UK current account that's held in your name.

Account holder's name

Account number

Sort code

Bank/building society name

Building society roll number - optional, up to 16 digits

Do not use this field to enter your card number or any other personal details.
It's only for your roll number if you have one.

# In detail: Flexible Access Drawdown

Members need to be equipped with the tools and functionality to manage their income in retirement

## Communication Experience – engagement examples from age 50 onwards

nest

Mr. Firstname Secondname
Diligenta Ltd
Lynch Wood
PETERBOROUGH
PE26FY

28 March 2025

Member: Ainsley Kemp
Nest ID: MEM011092386

**Summary**

How much is in your pot:
**£5,293.20**

At retirement, you could get:
**£95 every month***

Your annual management charge:
**0.3% of your pot value per year**

Your money is invested in:
**Nest Lower Growth Fund**

Your Nest retirement date is:
**12 May 2026**
**11 years left**

Hello Ainsley,

You're currently saving into your Nest pension pot from your job with [EMPLOYER NAME]. You've saved £5,293 so far. Now you've turned 50, it's time to start thinking about how to take charge of your pension.

**Who we are**

We're Nest - here to help you build the biggest pot you can, so life can be as fulfilling as possible once work slows down.

We're the UK's largest workplace pension scheme. Our purpose is to serve you, our members. That's why we keep our fees low, and do everything we can to grow your pension pot.

We've won awards year after year for how we manage people's money.

**Take charge of your pension**

It's really worth getting familiar with your pension now, even if retirement might still feel a long way off.

We'll go through the basics here, but there's lots more information on our website. Visit **nestpensions.org.uk/retirement** so you can understand if your pension's on track, and to plan ahead.

Please scan the QR code with the camera on your smartphone or tablet.

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1

**What your pension's for**

Your Nest pension helps you put money aside for the future. You pay into it now so that you have savings to use when you're ready to wind down from work. It's separate to the State Pension.

**How your pension builds**

Every time you contribute into your pension, your money usually gets topped up by your employer and the government. Pensions are the only way of saving that boosts your money like this. Here's an example:

£40 + £30 + £10 = £80

What you put in + Amount your employer pays in + Amount you get from tax relief = Total paid into your pot

We charge 1.8% on each new contribution into your pot

Most people get tax relief on their pension, but some don't. If you're not sure, go to **gov.uk/tax-on-your-private-pension** to see if you're eligible.

**Wait, so is this really free money?**

In a way, yes. Employer contributions and tax relief are money that go directly into your pension, on top of what you personally pay in. That's what makes saving into your pension so powerful.

**Banks save. Pensions build.**

The cost of living keeps going up. Often, the interest you get from a savings account doesn't keep up, so your money's actually losing value.

We don't just save the money in your pension, we invest it. That's because we want to grow your money by more than the rising cost of living, so you have more money put towards your future.

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How to make a pension plan

**Your pension details**

How much is in your pot:
**£5,293.20***

**9 years**
until your Nest retirement date

**Hello [First name],**

Your 50s are a great time to take charge of your pension – but how does it work? And how do you know if you're saving enough?

**Make a simple pension plan**

1. See how much you're likely to receive from the State Pension, other savings, and any other private pensions you have - even lost ones.
2. Work out how much you might spend day-to-day once work slows down. We'll help you predict your future spending, based on research from Pensions UK.
3. Use these figures to check if your pension is on track.

**Make your pension plan**

nest

Extra money in your pot. No extra cost to you.

**Your pension details**

How much is in your pot:
**£5,293.20***

**9 years**
until your Nest retirement date

**Hello [First name],**

Did you know that every time you contribute into your pension, your money usually gets topped up by your employer and the government?
Pensions are the only way of saving that boosts your money like this.

**Wait, so is this really 'free' money?**

In a way, yes. Employer contributions and tax relief are money that go directly into your pension, on top of what you personally pay in.

Most people get tax relief on their pension, but some don't. If you're not sure, check on **gov.uk/tax-on-your-private-pension** to see if you're eligible.

£40 + £30 + £10 = £80

What you put in + Amount your employer pays in + Amount you get from tax relief = Total paid into your pot

**Understand your contributions**

**Take control of your pension**

The best way to keep track of your money and to manage your pension is to log in. You can see how it's growing and top up your pot if you'd like to put more towards your future.

**Reasons to log in**

- Track how much you and your employer pay in
- Bring all your pension pots together in one place
- Work out how much you might get when you retire
- Tell us who should get your pot when you die

**Log in**

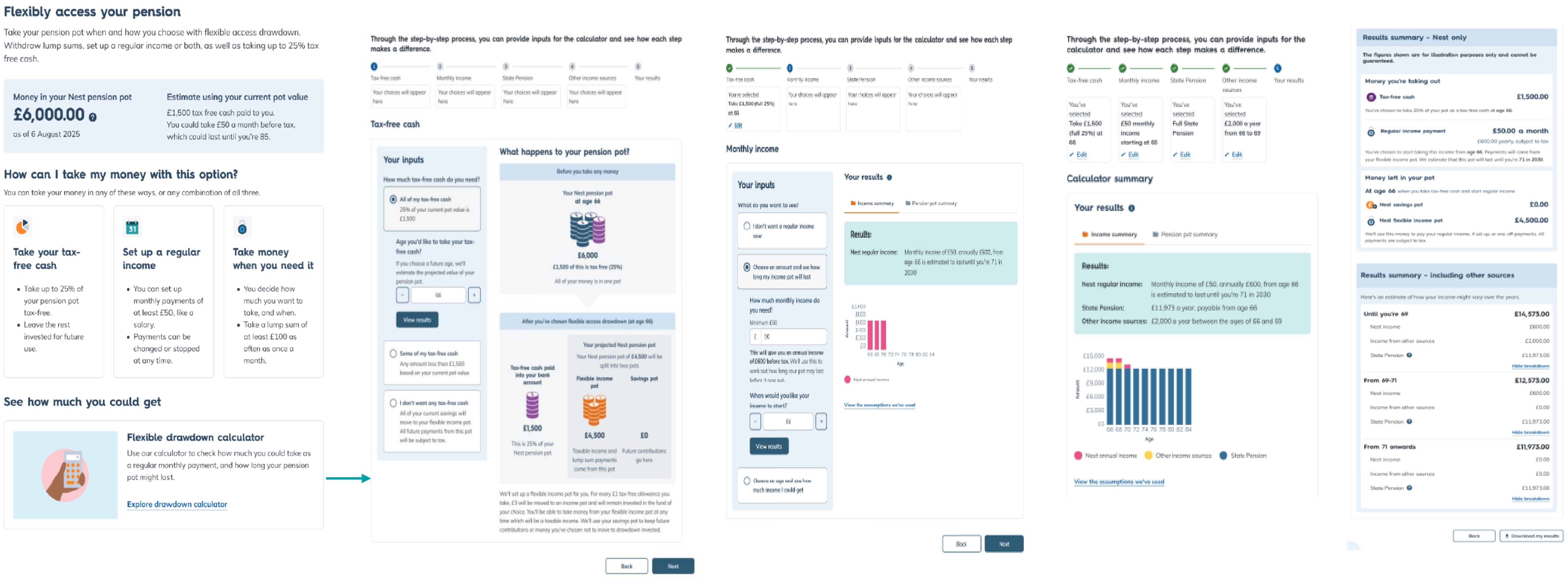
*This value isn't guaranteed. It can go up and down based on fund performance

Like all pension providers, we charge a small fee for managing your money. There's a contribution charge of 1.8% on each new contribution into your pot and an annual management charge (AMC) of 0.3% on the total value of your pot each year.

# In detail: Flexible Access Drawdown

Members need to be equipped with the tools and functionality to manage their income in retirement

## Member planning – drawdown calculator



# Q&A

# Investment update

Elizabeth Fernando

nestpensions.org.uk

# Nest: unlocking the power of scale

# Our size

**14m**
members

**512,000**
employers

**£67.9bn**
assets under management

Data as of May 2026

# We are growing

**£713m**
new
contributions on
average per
month

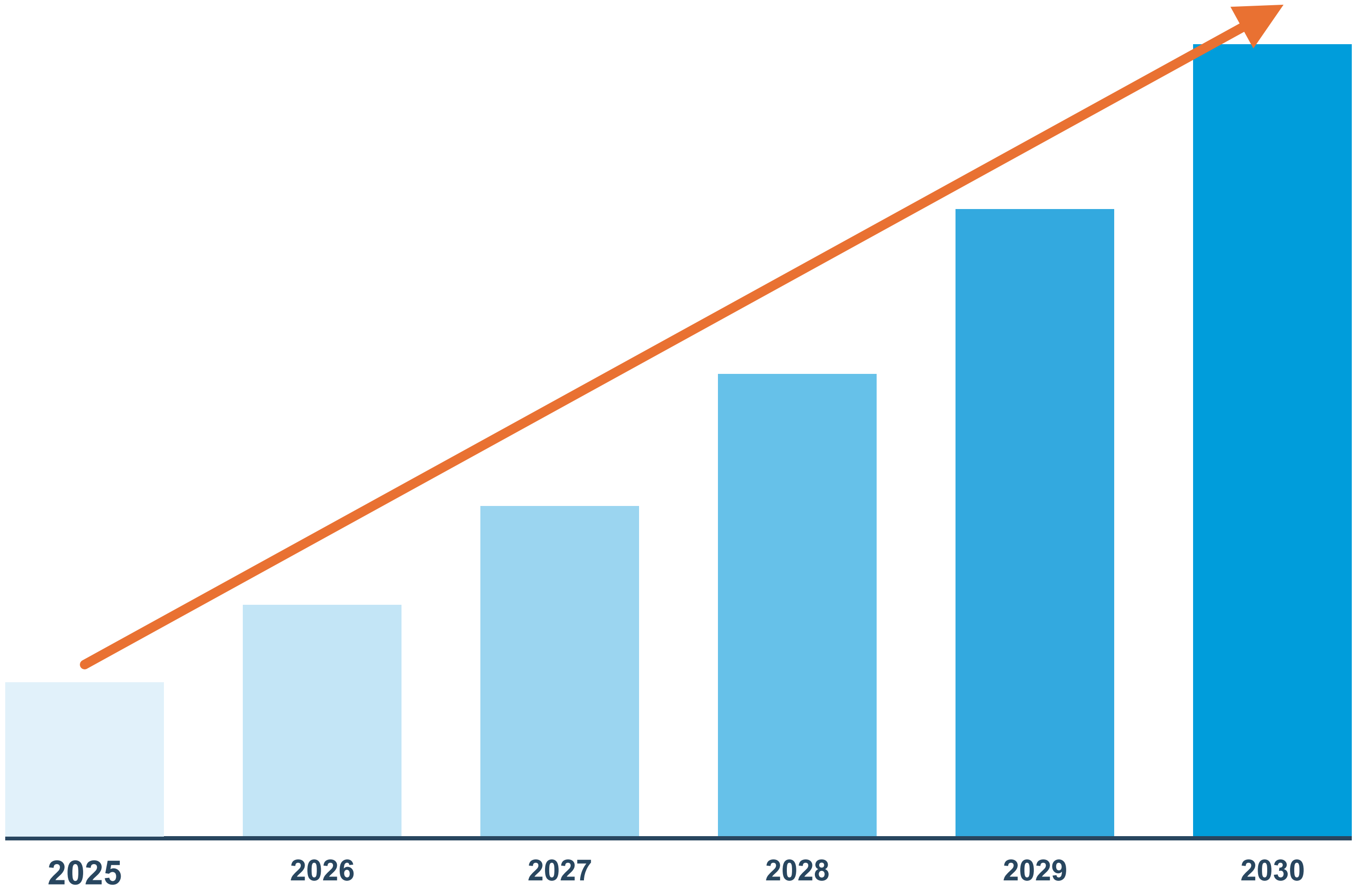
**10,000**
net
new contributing
employers joined
per month

**£26m**
Average daily
inflows

**£8.6bn**
Total annual
contributions

Sources: Nest Annual Report and Accounts 2025/26

# Projected size by 2030




# £100bn

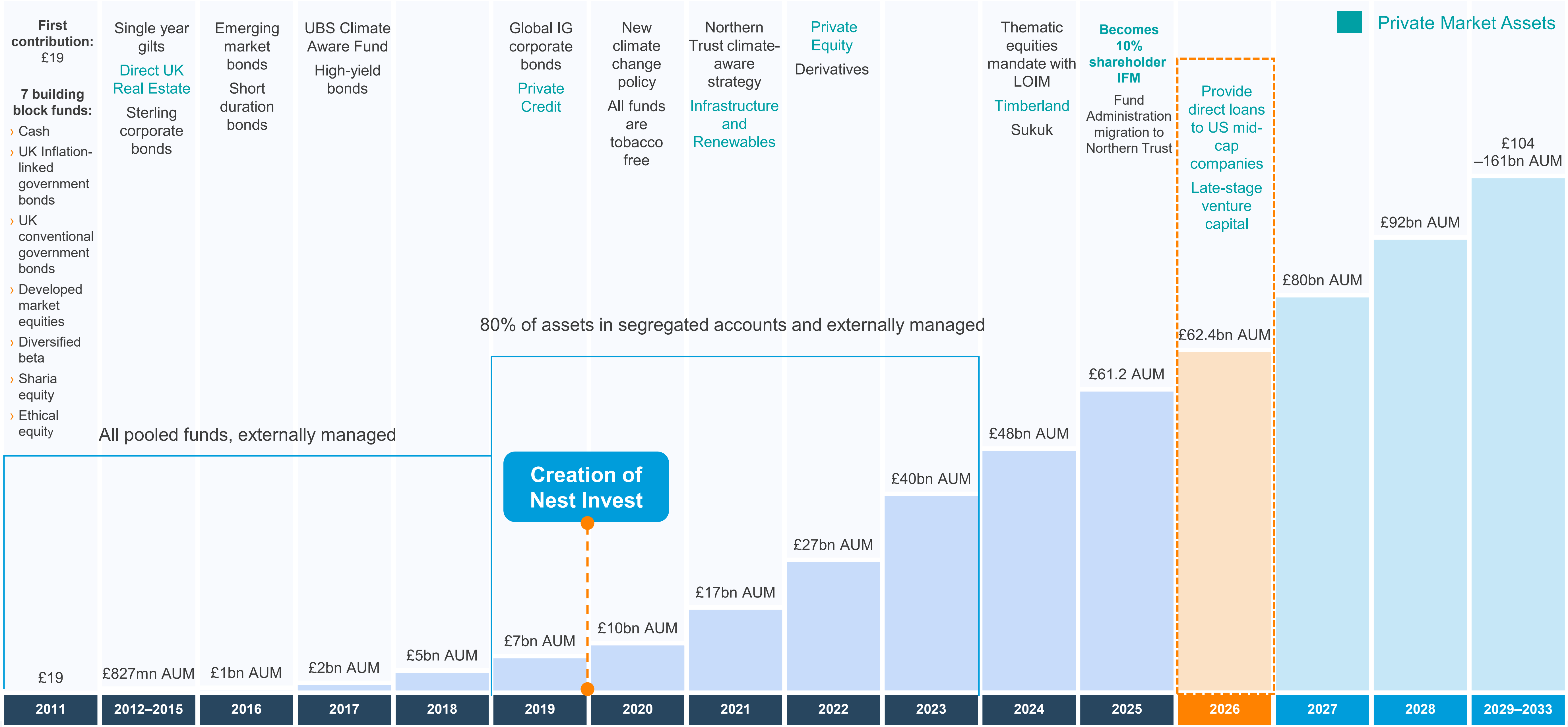
projected assets under management by 2030

# 18m

projected members by 2030

Sources: Nest 2030 corporate strategy and analysis. Figures are projections.

# Our investment journey



# The power of scale

01 More sophisticated in-house capabilities

02 Better deals with external fund managers

03 More sophisticated investment opportunities for ordinary pension savers

04 Access to private markets

05 More influence in markets and corporate governance

# Leveraging scale

# Why private markets?

Diversification

Drive change

Illiquidity premium

Long-term growth opportunity for members

Small companies – growth opportunity

Access to innovation

# Who are we partnering with?

**Private equity**

HarbourVest
Schroders
*IFM Investors (owner)*

**Diversified credit including global corporate loans**

BlackRock
BNP Paribas
IFM Investors
Crescent Capital

**Renewables**

Octopus Energy Generation

**Infrastructure**

IFM
GLIL
CBRE Caledon Napier Investments

**Real estate**

Legal & General Asset Management

**Timberland**

BTG Pactual
Campbell Global

# Spotlight: IFM partnership

Strategic partnership and ownership stake • February 2025

## About the partnership

- 10% stake alongside 16 Australian superannuation funds
- Launching three new IFM strategies: infrastructure equity, infrastructure debt and private equity
- Focus on UK real assets: Arqiva, M6 toll road and Manchester, Stansted and East Midlands airports

**10%**

Ownership stake in IFM Investors

**£5bn**

Nest's intended investment through IFM by 2030

**£450m**

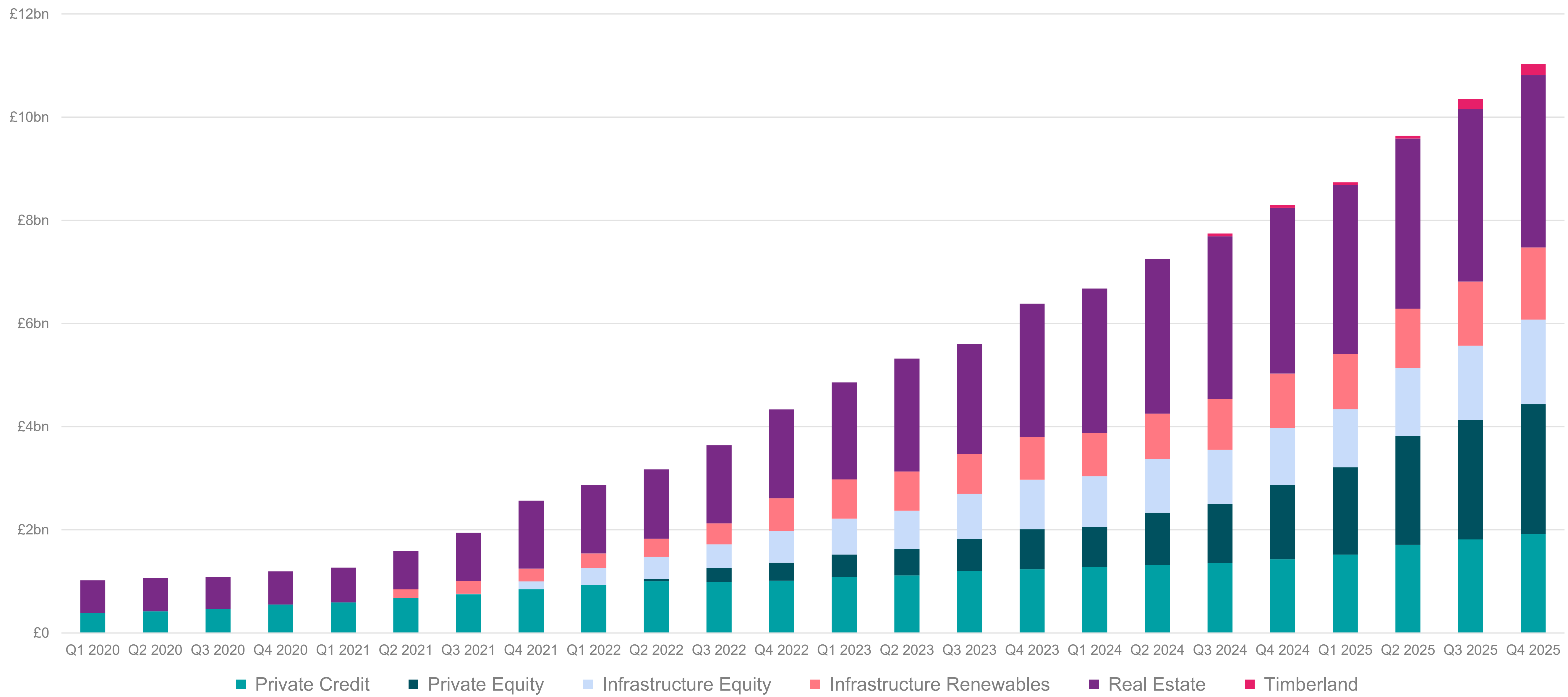
Seed commitment to a new European infrastructure debt fund

**£200m**

For climate transition technology opportunities

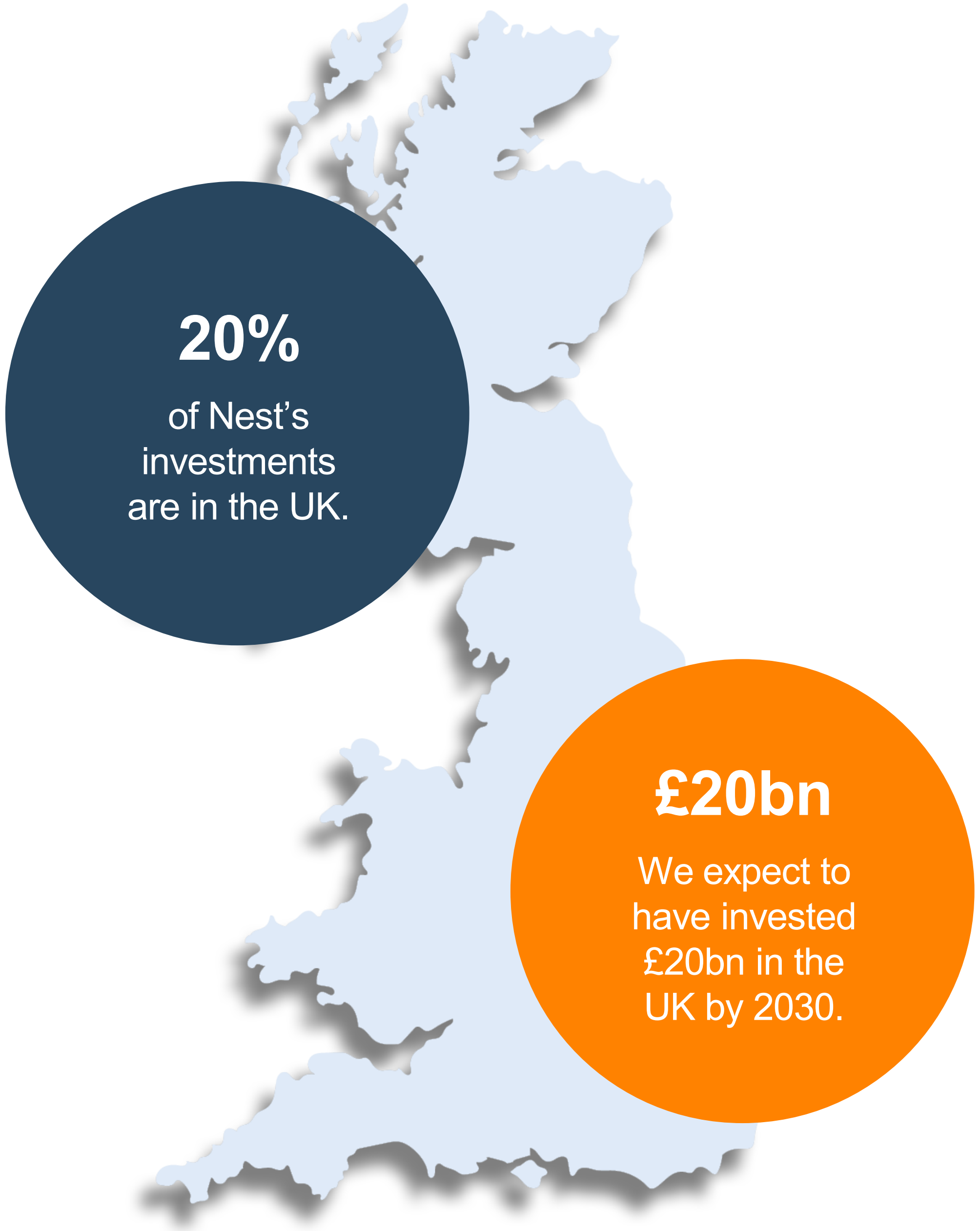
Source: Nest press releases, 4 February & 20 May 2025

# Growth of private market investments



# UK share of investments

| | |
|---|---|
| £3.8bn | Corporate bonds to established UK companies, such as AstraZeneca and Admiral Insurance |
| £3.3bn | Commercial and residential property across the UK |
| £2.2bn | Providing UK companies with access to cash |
| £1.1bn | UK infrastructure projects, including fibre networks, social housing and renewable energy* |
| £949m | Shares in major UK employers, including Next and Taylor Wimpey |
| £493m | Government lending (gilts) |
| £431m | Shares of growing UK Businesses (private equity)** |




All data as of 31 December 2025 unless other stated:

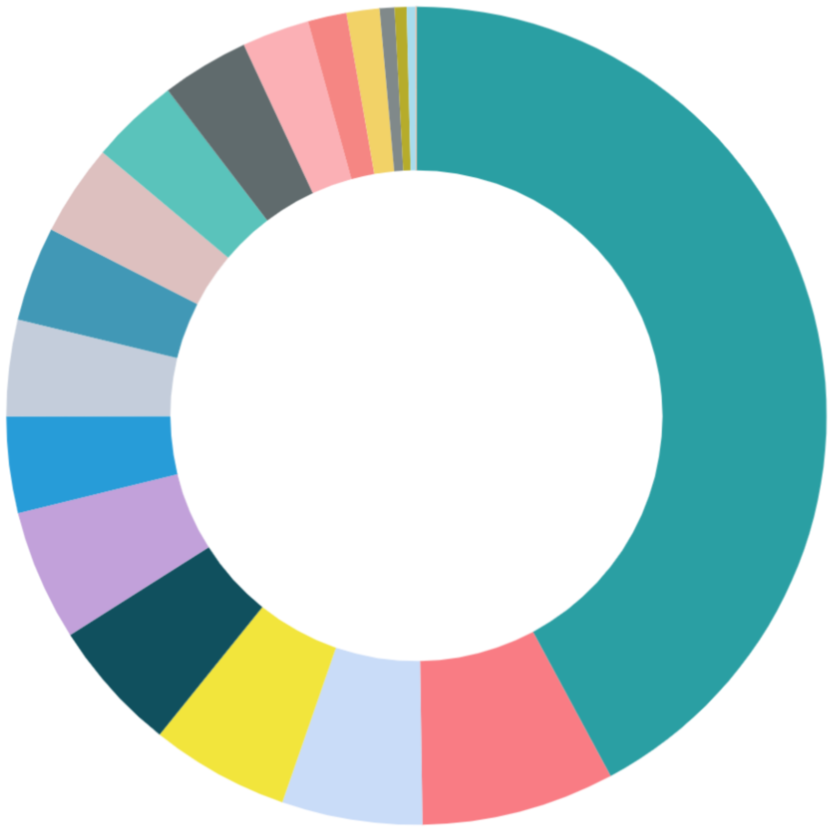
* UK infrastructure data as at 30 September 2025

** Private Equity data as at 30 June 2025

# Performing at scale

# Our 2046 Retirement Date Fund

We're truly diversified, with investments in a broad range of global markets

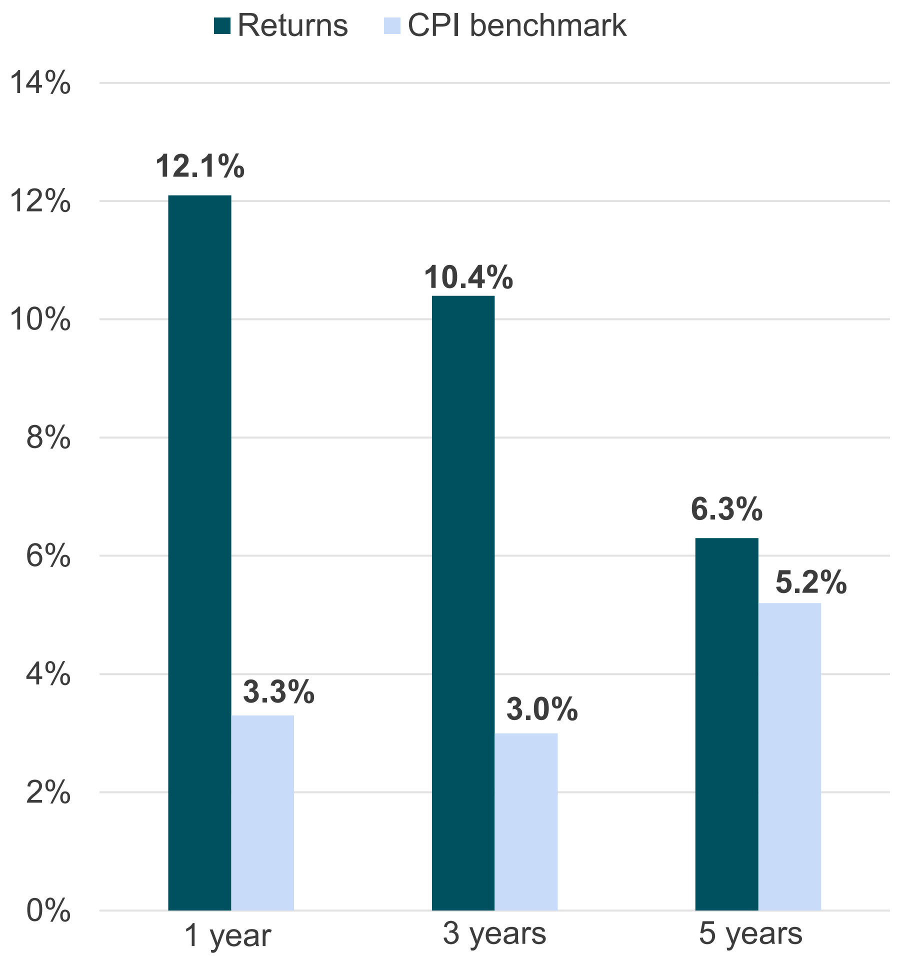



Data as of 31 March 2026
Note: A proportion of the foreign currency exposure is hedged in our developed market credit funds, global developed equity fund and our private market funds

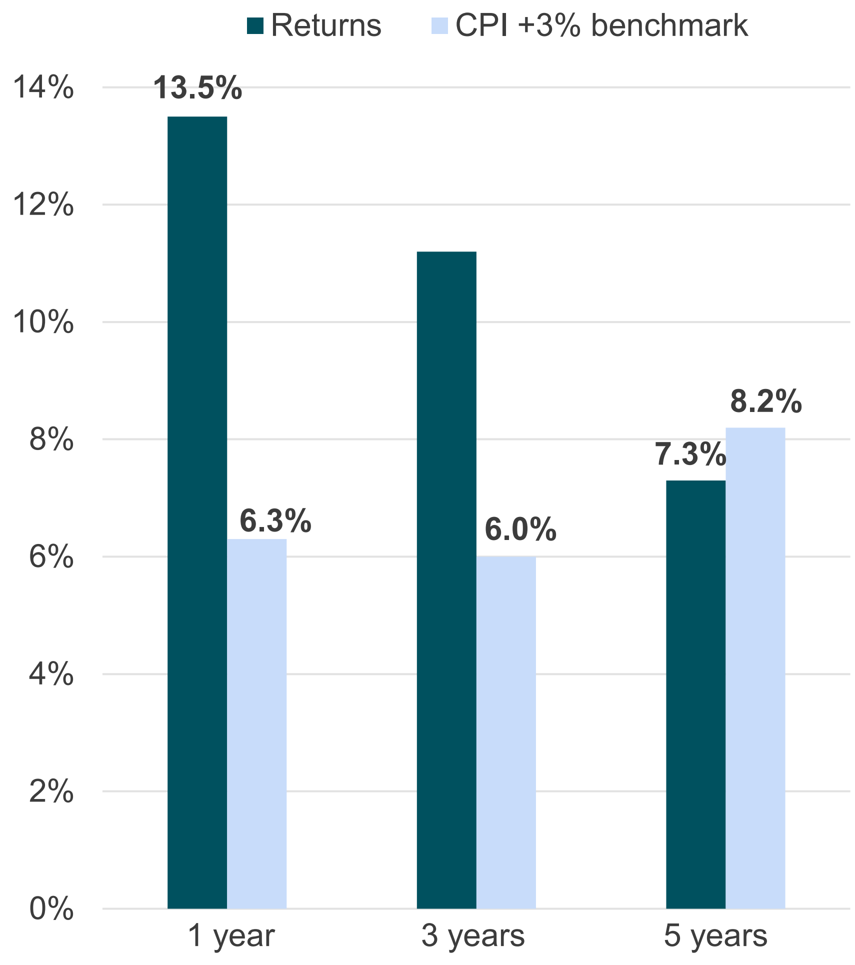
# Fund performance of Nest Retirement Date Funds

## (annualised returns)

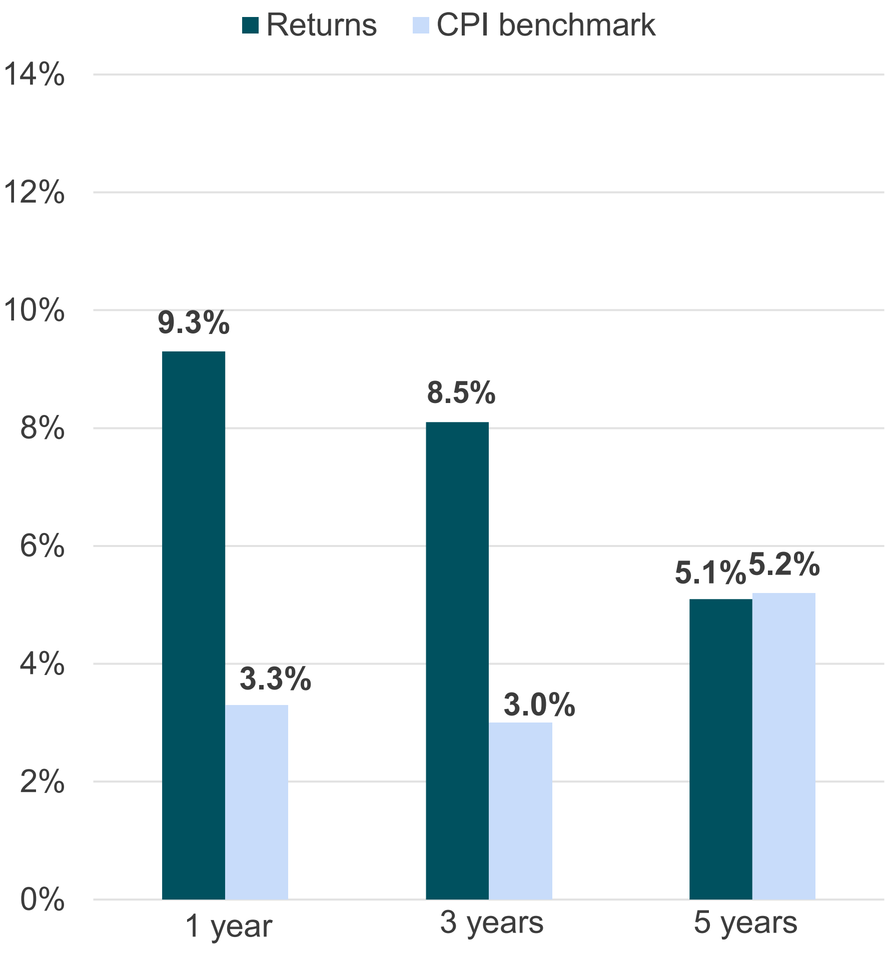
### Nest 2066 Fund (Foundation Phase)




### Nest 2046 Fund (Growth Phase)




### Nest 2026 Fund (Consolidation Phase)

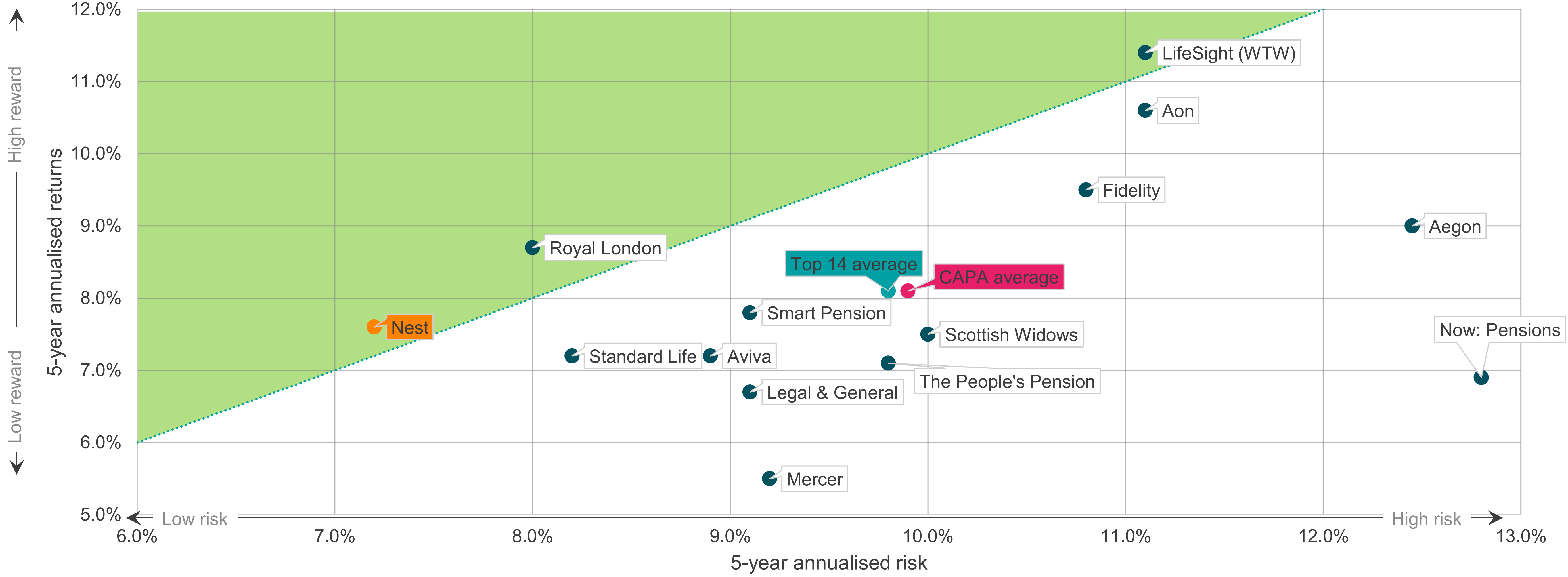





Annualised total returns net of Nest annual management charge. Data as at 31 March 2026.

# Strong risk-adjusted returns

Nest is achieving strong returns broadly in line with the market average, but doing so at significantly lower levels of  risk compared to other similar UK providers. Providers in green have stronger risk-adjusted returns.




Corporate Adviser Pensions Average (CAPA) data showing five-year annualised gross returns and levels of risk for the main default fund(s) of each peer provider for a member 30 years from retirement age. Data as at 31 March 2026. Chart shows 14 biggest default funds by number of active members (as at 31/12/2024).

# Key takeaways

**Scale brings:**

Buying power

More sophisticated investment strategy

Access to private markets

# Q&A

# Thank you

nestpensions.org.uk