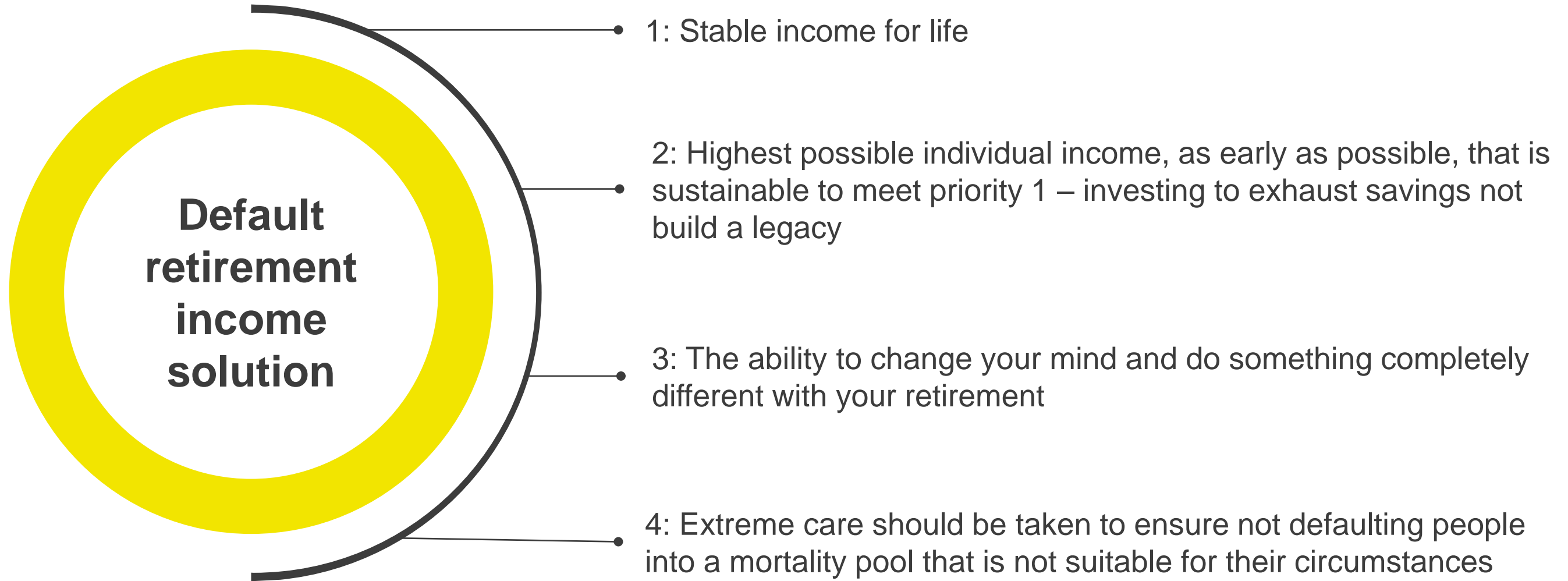


Nest's principles for guided retirement income

Our future default solution design needs to align to four guiding principles

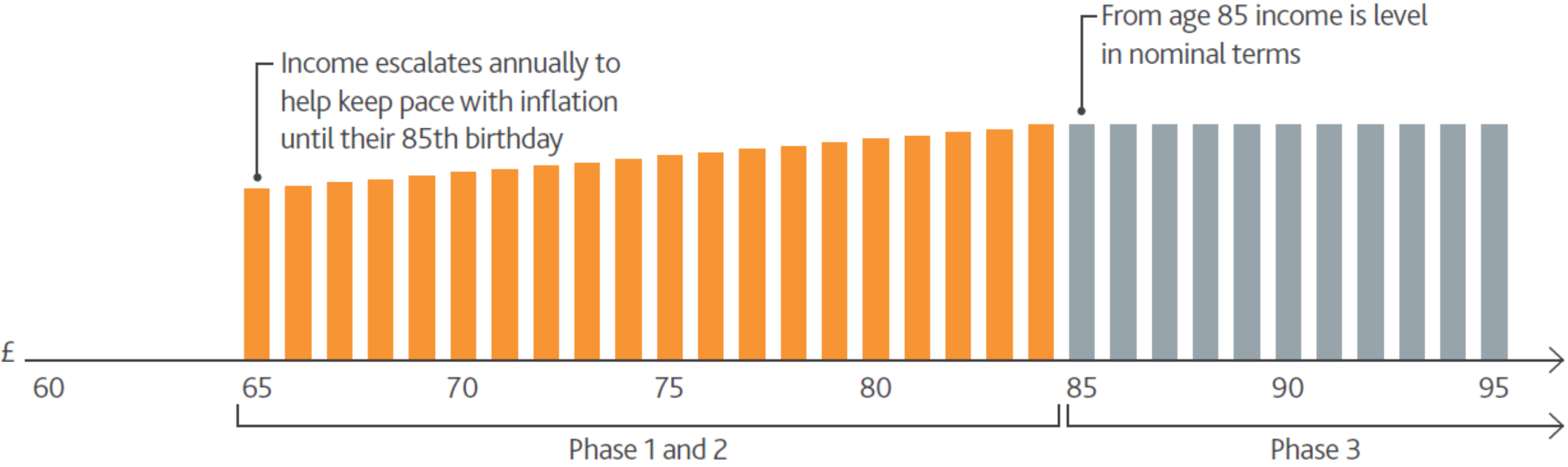


Income strategy – what a member would expect to see

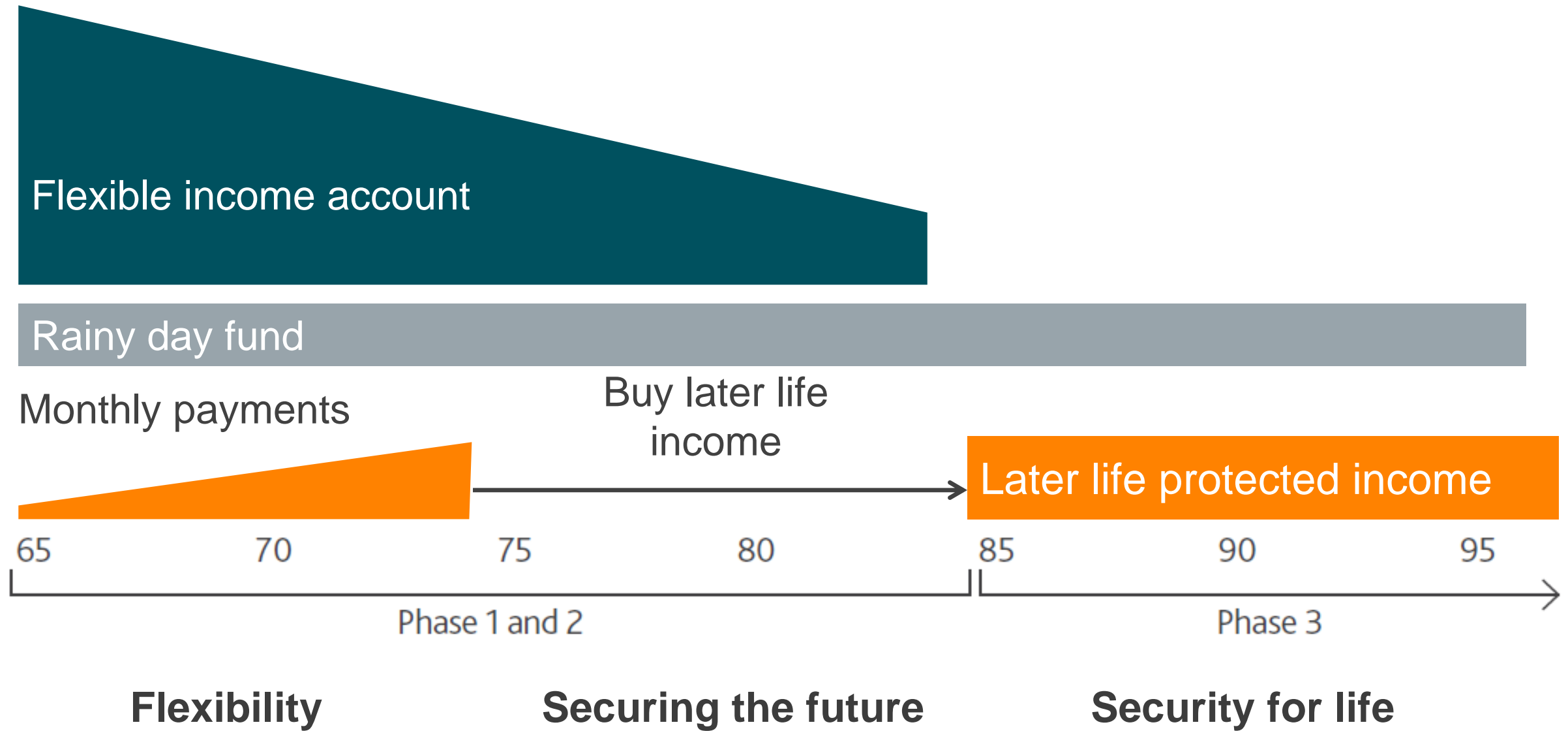
Phase 1: Mid-to-late 60s to mid 70s

Phase 2: Mid 70s to mid 80s

Phase 3: Mid 80s onwards

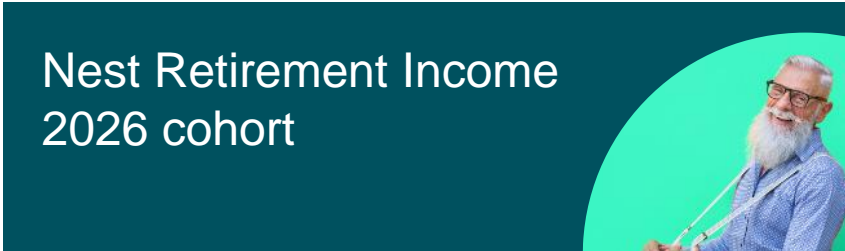


Under the bonnet – invested, flexible, lifelong income



Delivering the solution – investment AND mortality pooling

Level one
– what the member sees



Level two – three funds with three objectives – growth, income, liquidity

Liquid cash account
(0-10%)

Invested Income account
(70-80%)

Later Life Protected Income
(10-20%)

Level three – building blocks to deliver the three funds

Money market instruments (Cash)

Global listed property and Hybrid property

Sterling bonds

Climate aware global developed and emerging market equities

Global investment grade corporation bonds

Private credit

Emerging market debt

Global high yield bonds

Deferred Annuities

Decumulation CDC

Internal mortality pool

Governance and trust-based oversight

Setting of annual withdrawal rate, investment allocation, and mortality pooling is a fiduciary responsibility

