THE GOOD GUIDE TO PENSIONS

GOOD WITH MONEY
MORE MONEY, FEWER PROBLEMS

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Asset Management

About Good With Money

Good With Money is a personal finance website with a difference:
we focus on ways you can get value with values or profit with principles from your savings, pensions, current accounts and even credit cards. Because deals that look after people and planet AS WELL as your pocket are SO much more rewarding for everyone.

About the Authors

Rebecca Jones, editor of Good With Money

Rebecca Jones
Rebecca Jones is editor of Good With Money. She has been a financial journalist specialising in sustainable finance for nearly a decade and has worked across the UK media: from *The i* and *The Daily Express* newspapers to the *New Statesman* and specialist personal finance magazines *Money Observer* and *What Investment*. However, she has been an eco-warrior since the age of 10, when she insisted her pocket money went to the WWF to save the rhinos.

Anna Fedorova, financial journalist

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p-p-p-p-PENSION POWER!!!

By Rebecca Jones, editor of Good With Money

There is, perhaps, no word in the English language less sexy than 'pensions'. Utter it and you are guaranteed to send your listener into a coma – if not fleeing into the sunset, muttering something about having left the oven on.

Such is the challenge of writing a financial blog like Good With Money. We talk a lot about pensions, because – like it or not – they are really important. A pension makes the difference between retiring in style (which we will cover later) and living on tinned beans in your twilight years.

More importantly, however, pensions are the most powerful tool we all have to change the world for the better.

That's right! And this is because – while not a lot people know this – **if you have a pension, YOU-ARE-AN-INVESTOR.** Yep! That chunk of money that comes out of your paycheck every month doesn't go into a rusty cauldron in your employer's basement, it is in-fact going straight into financial markets.

Pensions funding climate change

However, nine times out of ten, these pension savings are going into default funds that invest in the biggest companies in financial markets. And this means tobacco firms, oil and gas majors, mining and big banks: social, climate and environmental breakdown, in other words.

The situation is such that millions of us are likely unwittingly investing in things we would never otherwise choose to put our money in. While an estimated 3.5 million Britons have now gone vegan, for example, in our pensions many are invested in Tesco, which ploughs billions into the meat industry every year.

Or we may have gone plastic free; buying all our veggies unwrapped from the local market. Meanwhile, though, we are invested in Nestle or Unilever: architects of the Great Pacific Garbage Patch – a plastic wasteland floating between the US and Asia that is four times the size of France.

Redirecting the mega money

The global pensions industry accounts for half of all of the money in the world – £32 trillion. This is SO much cash that if you divided it between everyone in the WHOLE WORLD we'd all get more than £4,150 each.

Thus, the potential for affecting change with our pension savings is, well, enormous.

The UK accounts for £2.2 trillion of this share, more than £1 trillion of which is sitting in mega workplace pension schemes run by boards of trustees that are still ploughing money into global destruction, and giving savers very little say about it.

One of the big problems here is an outdated idea of 'risk management'. Entrusted with the life savings of members, pension trustees have always been encouraged to 'play it safe', and – historically – this has meant sticking to the biggest companies.

As we are all becoming increasingly aware, though, this strategy is no longer sensible. In this new world, where big tobacco can no longer hide the fact it kills 7 million people every year, and UN scientists have made it crystal clear that humanity needs to decarbonise by 2030 or else face extinction, British American Tobacco and Exxon Mobil are no longer safe investments: quite the opposite.

Perhaps more interesting, though, is that investing in these companies is not only devastating in the long term, but perhaps in the short term, too.

Making pensions Good

Mounting evidence is showing that investing in destructive industries means losing money today, while those investing for Good, are making more money. A glance at returns in the default versus ethical funds throughout this guide underlines this.

Thankfully, pension funds are starting to wake up. We are proud, for example, to have NEST – the UK's biggest independent workplace pension provider – as one of our sponsors. As well as being the only nationwide pension fund to have quit tobacco, it also favours companies transitioning to the low carbon economy as part of its investment process.

Equally, we are thrilled to have PensionBee: a truly innovative provider blazing a trail in helping people make sense of an often tangled web of pensions and giving them an ethical option to boot. And finally we welcome Swiss asset manager Pictet, whose thematic investment funds are some of the most forward thinking, innovative vehicles in the sustainable investment universe today.

With their help – and our financial nouse – we are going to show you exactly how you can start aligning your pension with your principles, today. Because after all: it's no good having a big, fat pension pot if there's no planet left to spend it on.

Pension jargon buster

The finance industry is full of big words and funny acronyms. Throughout this guide we've tried to keep this to a bare minimum; however when in Rome sometimes you have to speak a little Latin. Below are some of the key terms.

AMC/fund fee
An AMC – or annual management charge – is the fee a fund manager charges to manage your money. It is usually charged as a percentage of your savings. If you have £1,000 invested in a fund, for example, and the AMC is 0.75 per cent, then you will pay £7.50 per year to the manager.

DB
This stands for defined benefit and is a type of workplace pension scheme. Also known as a final salary scheme, it pays a guaranteed income throughout your retirement.

DC
This stands for defined contribution; the type of workplace pension scheme most of us are now in. You get a pot at the end, the size of which will depend on how well your investments have done, and you have to make it stretch.

Default fund
Not to be confused with a credit default, this is the investment choice that pension savers are plonked into – well – by default.

ESG
Otherwise known as 'Environmental, Social and/or Governance', this is an approach many fund mangers take to assessing the companies they invest in, looking at how well each is managing challenges in each category.

LISA
The Lifetime Individual Savings Account is new to the pensions game. It's like a SIPP, but you can only save £4,000 a year into it.

OCF
The same thing as an AMC. Just to confuse you.

SIPP
This stands for Self-Invested Personal Pension – the most footloose anyone can get when managing their pensions savings.

SRI
This can mean 'Sustainable, Responsible Investment', or 'Socially Responsible Investment.' The latter is used mainly by index trackers, so real sustainable fund managers tend not to.

Tracker fund
Also called passive funds, trackers just follow global markets, investing in all the companies listed on any particular 'index', like the FTSE 100. Sustainable, ESG or SRI trackers take out tobacco, a few weapons and maybe one or two fossil fuel companies. They are not as Good as active funds with human managers – but they are cheap.

Trustees
The people in charge of a DB pension fund.

Part 1: Workplace pensions

All about auto-enrolment

While sounding like a rare and undesirable disease, auto-enrolment is – in-fact – the biggest thing to hit UK pensions since, way back in 1909, some bright Treasury spark thought: "Hmmm... Wouldn't it be nice if all the old people didn't just die...?", and introduced the first 'Old Age Pension'.

Announced in the Pensions Act 2008, auto-enrolment is the UK government's way of encouraging us all to save more for our retirement, and making sure that employers chip-in too.

Contribution levels started small, at a minimum threshold of 1 per cent of an employees annual salary, of which at least 1 per cent had to come from the employer, with a plan to scale this up over time.

Today (July 2019), the minimum level is set at 4 per cent of annual salary from workers and 3 per cent from employers, with 1 per cent tax relief from the government (so, 8 per cent in total).

Importantly, 8 per cent of annual savings is the minimum amount studies suggest we should all be saving to make sure we have an adequate pension pot when we retire.

Tax ‘n’ stuff

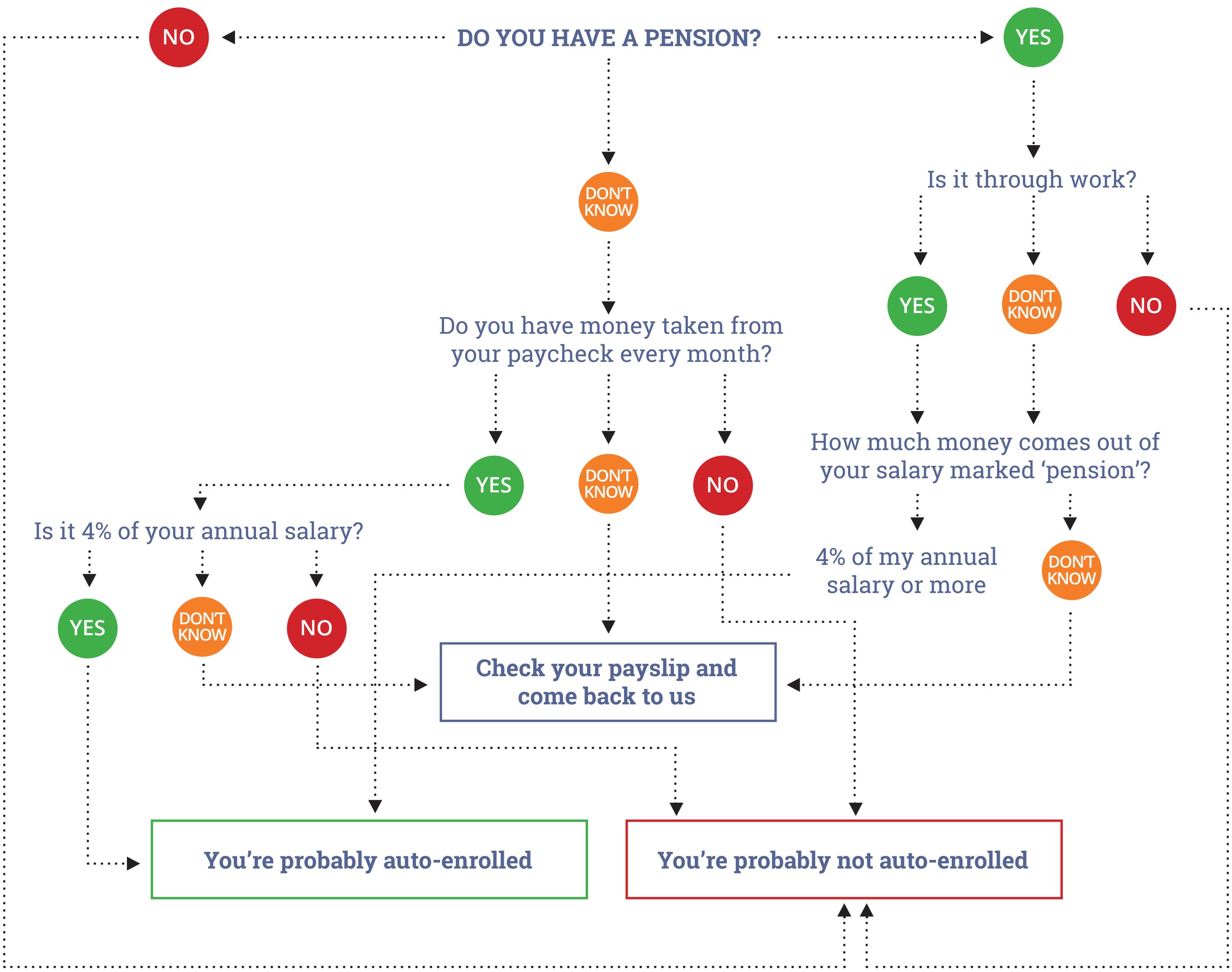
While law now sets this minimum level for auto-enrolment, all employees can opt-out of their scheme if they want to by submitting a form to their HR department one month after they have been enrolled.

In this case, the employee will be refunded their contribution, however if they pull out more than one month after enrolment, their contributions will stay where they are until they can legally access their pension (currently age 55). Employers are also legally obliged to re-enroll employees every three years.

Like all pensions, working savers can contribute up to £40,000 a year into an auto-enrolment scheme income tax-free, receiving tax relief at their income tax rate of 20 per cent for basic rate earners, 40 per cent for higher earners or 45 per cent for those earning more than £150,000 a year. Everyone gets the first 20 per cent back at source, but higher and additional rate earners will need to claim the rest in their annual tax return. Unemployed Britons can save up to £3,600 per year into a pension tax free.

When you retire you can take a 25 per cent tax free lump sum from your pension pot, then you will be charged income tax on all withdrawals above the annual tax-free allowance (currently £12,500).

Am I auto-enrolled?



Will I retire in style?

As the universal money mantra goes: the more you save, the more you'll have. More importantly, though, and an oft forgotten factor is that the LONGER you save, the more money you'll have. This is all thanks to compound interest, which over 35 years really adds up.

To demonstrate this we took the average Brit, currently earning £25,844 per year, and ran them through the the current minimum contribution system over a period of 10, 20 and 35 years.

REMEMBER, THOUGH: Neither the below nor any of our other projections take into account the State Pension – so don't panic. Currently, this is set at £168.60 per week (or £730.60 per month) for men born after April 1951 and women born after April 1953

Years invested	10 years	20 years	35 years
Pension pot	£27,872	£74,698	£208,661

The above is based on the current minimum auto-enrolment levels of 4% of annual salary from the employee, 3% from the employer, and 1% tax relief (8% total). For someone earning £25,884 per year, this would mean a contribution of £2,067.52 per year, or £172.29 per month, of which £86.15 is from the employee.

We assume an investment growth rate of 5 per cent per year and a salary increase of 0.5 per cent per year. Figures are kindly provided by Good Egg Company and leading ethical financial adviser EQ Investors.

As the above graph demonstrates, getting started just a few years earlier can make a huge difference to how much you have to retire on when you finally decide to put your feet up from the world of work.

As you will see in the following pages, too, investing ethically and sustainably may also lead to higher returns over the long term. The above assumes an annual growth rate of 5 per cent, for example, however the NEST Ethical fund has returned closer to 10 per cent a year since 2014.

Investment returns are never guaranteed, however.

Ultimately, however, the most important thing is to save what you can, as often as you can, and don't think too much about it. Life changes: salaries go up and down, if you're lucky a windfall might come in – you never know. Right now, when it comes to pension saving: just do it!

Mastertrusts

An estimated 9 million more UK workers have been brought into the pensions system thanks to auto-enrolment. This has helped to push the percentage of the UK workforce saving for retirement up from 47 per cent in 2012 to 76 per cent in 2018 – an impressive shift.

The vast majority of these workers (94 per cent) have been put into something called a mastertrust.

Most of the biggest, including our sponsor NEST, were set up around 2012 or not long after in response to the challenges brought by auto-enrolment, particularly for smaller businesses that had never run a pension scheme before.

Many bigger firms, however, already had long established pension plans and so if you have been auto-enrolled you will not necessarily be in a mastertrust. You can find out by contacting your HR department.

In a nutshell, these are massive investment funds with low fees that make it easy for businesses to put their employees in a pension. Employers sign up to one and then their employee's money is invested according to the policy of the trustees, who usually appoint fund managers to do the job.

Each mastertrust has what is known as a 'default' fund, which is where most members' money goes. Indeed, according to research, 99 per cent of pension savers are in the default fund. And if you read our introduction, you know what that means – and it's not Good.

Some, however, allow their members to choose where their money is invested, offering a range of different options including – most importantly to readers of this guide– ethical, Shariah and sustainable options.

Below we profile five of the biggest mastertrusts in the country, exploring exactly what each is doing with its members' money.

5 Mastertrusts reviewed

NEST

NEST, or the National Employment Savings Trust, is the government backed auto-enrolment scheme created especially for the introduction of auto-enrolment. The biggest auto-enroller in the country, NEST currently manages the pensions of over 8 million individual employees, totaling £6.5 billion (correct to June 2019) of savings. In addition to its default retirement date funds (in which savers are placed according to their age), NEST has five different funds for members to choose from, including both ethical and Shariah funds.

How Good is NEST?

NEST (and we're not just saying so because they are sponsoring us) is the undisputed leader when it comes to doing Good in the pensions space. In a report published by investor group Share Action in June 2018, The Engagement Deficit, NEST scored 30 per cent higher than its nearest competitor for responsible investment, scoring 197 out of 227 points across categories including responsible investment policies, climate change, workforce and ethics. Indeed for Share Action, it is 'NEST and the rest'.

As we mentioned in our introduction, NEST is the only nationwide, publicly available UK pension fund to have quit the cigs (with smaller private funds like the Wellcome Trust and Cancer Research's having already gone tobacco free). Moreover, as noted by Share Action, NEST is the only workplace pension provider to incorporate climate-related financial risks in the investment process of its default funds (as well as its ethical offering), which is increasingly being recognised as one of the biggest threats to long-term financial assets.

NEST's Ethical Fund is also strong. Like most ethical funds, it primarily screens out the worst offenders against people and the planet, however it also seeks out those with positive records on the environment, human rights and fair labour and trade practices. It is not fossil-fuel free, but it does exclude firms involved in the most polluting practices; like tar sands, fracking and open cast mining, while it expects robust water management from all its investee firms. It also won't hold any company whose primary business is the manufacture or sale of weapons systems. It does, though, hold UK government debt (as almost all pension funds do).

Its Shariah Fund is similar, seeking to avoid companies doing harm and reward those doing Good. However, it has less of an environmental focus, instead focusing on important tenents of the Islamic faith, including a ban on usury (or charging interest on debt) and the exclusion of alcohol and pork products. It only invests in shares confirmed as being Shariah compliant by a committee of experts, using the Dow Jones Islamic Market Titans 100 Index as a guide.

NEST's weaknesses include a less robust policy on weapons than some other auto-enrolment providers in its default fund (NEST has no specific exclusions around uranium ammunitions, certain nuclear or incendiary weapons – but does on others including chemical weapons). However, as a company, NEST is again a leader on gender diversity at board level, boasting 45 per cent female representation.

How are the funds performing?

Fund name	1 Year	3 Years	5 Years
NEST Ethical Growth Fund	9.3%	38.4%	67.9%
NEST Higher Risk Fund	8.9%	40.1%	66.1%
NEST Lower Growth Fund	1.4%	1.9%	2.5%
NEST Pre-Retirement Fund	2.9%	10.8%	20.5%
NEST Sharia Fund	18.9%	54.2%	91.4%
Your NEST 2040 Retirement Fund	7.8%	32.3%	55.5%

All performance figures are to 31 March 2019 (data from NEST) and are net of NEST's annual management charge

How much do the funds cost?
According to UK law implemented by the Financial Conduct Authority, no default workplace pension fund can charge more than 0.75 per cent per year in fees and charges and NEST falls well within this. Fees for all members are the same: a contribution charge of 1.8 per cent and an annual management charge of 0.3 per cent. Over a year, if a member paid £1,000 into their pot, the contribution charge would be £18. If their pot was then worth £10,000, they'd pay an AMC of £30, bringing the total charge to £48, or 0.5 per cent of the pot.

For full details on NEST's investment policies, funds and performance, visit www.nestpensions.org.uk

The People's Pension

The People's Pension is one of the UK's biggest mastertrusts, boasting 4.5 million members and more than £7.5 billion of money under management. It too was created especially for the advent of auto-enrolment, launched in 2011 by workplace pension provider B&CE. As well as its default option it has eight different fund options you can choose from, including – like NEST – an ethical and Shariah fund. Members can also split their savings any way across these funds (except Shariah, which is all or nothing).

How Good is The People's Pension?

While no other provider is doing as well as NEST on responsible investment, The People's Pension is not terrible. It scored 125 out of 227 in the Share Action report, and is particularly strong on engagement with the companies it holds. In 2017 the people that run the fund (State Street Global Advisers) voted against investee company boards in four out of six high profile cases, including the re-election of chair of Sports Direct Keith Hellawell as a protest against the firm's poor treatment of workers. It fairs poorly on controversial weapons though, with no current exclusions in its default fund. The firms says it is working on this, though.

On the climate, The People's Pension says it has done a lot of work since last year and now factors in climate risk when making decisions in its default fund. To achieve this, the firm says it has changed the way it selects its equity investments (or shares in companies) with the aim to reduce the carbon emission intensity by at least 50 per cent. At board level, the firm also has 20 per cent women, which is above average.

Its Ethical Fund is invested fully in global shares via one fund: the State Street World ESG Index Equity Fund, whose only hard and fast exclusions are companies who are involved in the production of 'controversial weapons', including landmines and biological weapons. You can see the fund's top ten holdings by visiting the fund factsheet on the website, however you can see the full 1,600+ holdings by visiting the State Street website and downloading an enticing excel spreadsheet.

The People's Pension Shariah fund is similar to NEST's offering in that it tracks the Dow Jones Islamic Titans Index, though it does so exclusively through the HSBC Amanah Global Equity Index Fund. Again, if you Google this you will find the holdings.

How are the funds performing?

Fund name	1 Year	3 Years	5 Years
B&CE The People's Pension Pre-Retirement	3.7%	22.9%	46.9%
B&CE The People's Pension Annuity	4%	n/a	n/a
B&CE The People's Pension Cash	0.2%	0.1%	0.1%
B&CE The People's Pension Global Investments (up to 100% shares)	8.2%	40.7%	50%
B&CE The People's Pension Global Investments (up to 60% shares)	6.1%	31.2%	50.6%
B&CE The People's Pension Global Investments (up to 85% shares)	7.3%	36%	50.6%
B&CE The People's Pension Shariah	18%	52.4%	90.7%
B&CE The People's Pension Ethical	11.3%	45%	72.4%

All performance figures are to 31 March 2019 and are before fees and charges (data from FE Analytics)

How much do the funds cost?

Currently, The People's Pension charges an annual management fee of 0.5 per cent across its entire fund range. However, as of summer 2019 this is changing to a banded structure as follows:

- 0.5% on £0 to £3,000 of savings,
- Then 0.4% on £3,000 to £10,000,
- Then after that 0.3% on £10,000 to £25,000,
- Then 0.25% on the £25,000 to £50,000 chunk,
- And then 0.2% on everything above £50,000

While complicated, it means you pay less as you save more.

Aviva Master Trust

Aviva is the UK's biggest insurer, managing over £500 billion of savings and investments and is one of the country's biggest pension providers. As a note, this makes narrowing down any scheme or fund run by the firm very, very difficult and trying to do so has been the single most challenging task of this entire guide.

Among Aviva's arsenal of pension schemes and funds is the Aviva Master Trust, set up in 2014. As highlighted above, this is not where all people who have been auto-enrolled in Aviva will be. This varies depending on your employer (see the next section for more), so check out that paperwork.

Currently, the default fund for the Master Trust is the My Future Growth fund, and members have access to one ethical option: Aviva Pension MyM Legal & General (PMC) Ethical UK Equity Index. As we go to press the firm has announced it is introducing a new ethical fund as a default option across all of its workplace pension schemes. The 'Stewardship Lifestyle Strategy' will be based on Aviva's current Stewardship fund range (which it will also be making available to all workplace pension members at the same time) and will invest according to the same environmental, social and governance (ESG) principles. Ask your employer and/or Aviva for more details.

How Good is Aviva Master Trust?

Aviva scored second best on responsible investment in Share Action's report, finding that the firm does seek to show members how their savings impact the world. Its educational video 'Can you protect the planet with your pension?' is innovative and much of its member literature is clear, engaging and focused on informing people that their pension is, in-fact, invested. That's if you can find it, though – both NEST and The People's Pension put Aviva to shame when it comes to site navigation and accessibility of information.

The firm's new default Stewardship range has specific policies to address the most carbon-intensive industries of coal, tar sands and the utilities sector, while it discloses publicly according to the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations. Aviva is also vocal when it comes to engagement, scoring high for voting against the board of large companies on controversial issues, including against Sports Direct back in 2017.

You can move out of the default fund if you want to, and there are over 30 funds to choose from in both developed and emerging markets like China and India, all of varying risk levels. You can see the list by scrolling to page 17 of the board of trustee's statement (easy, right? If you are a member, Aviva says you can 'easily see' your options either in the brochure given to you on joining or online. We could not independently verify this). As mentioned, members also have access to one ethical fund not included in the above document: Aviva Pension MyM Legal & General (PMC) Ethical UK Equity Index (see the next section for performance and charging details) and will also have access to the Stewardship Lifestyle Strategy once it is rolled out.

NOTE: The situation has been different for members of Aviva's other group pension schemes for a while, where members have access to some great ethical and sustainable options. ***See page 31 for more.***

How are the funds performing?

Fund name	1 Year	3 Years	5 Years
Av MyM My Future Growth Pn	9%	34%	54%

All performance figures are to 31 March 2019 and are before fees and charges (data from FE Analytics)

How much do the funds cost?

Aviva says the annual management charge, which includes administration fees, will vary as each employer's scheme is priced individually. Check with Aviva or your employer to find out what you are paying.

Standard Life Mastertrust*

Another mega insurer with billions of pounds under management and offices across the world, Standard Life offers a number of 'contract based' workplace pension schemes – none of which you'll find on the website without a degree in investigative journalism. Standard Life offers a number of 'lifestyled' funds within its Active Plus and Passive Plus range, allowing customers to choose a fund corresponding with a risk level. None of them, though, are ethical or Shariah. Unlike Aviva, though, mastertrust scheme members CAN switch into a fund from the firm's main fund range, and this DOES include lots of ethical options.

How Good is Standard Life Mastertrust?

Standard Life Mastertrust did not fare well in Share Action's assessment for responsible investment – scoring 115 out of 227. This, however, is by no means the worst (see NOW: Pensions, below). Share Action also commended the firm for its plans to release its own ESG policy (most contract based providers just outsource all the investment decisions to the investment managers). This will allow the trust to monitor and manage responsible investment activities.

Standard Life Mastertrust was also among the best when it came to member engagement, with Share Action finding that the firm made strong references to a member's retirement goals in their annual benefits statements. It also boasts some interesting innovations, including an app that uses facial recognition, making it easier for people to use and manage their pension.

*On 1 September 2018, Standard Life Assurance - which manages the Standard Life group pensions - was sold to Phoenix Group. The funds are still managed in the same way. However, information on the corporate activity of Standard Life no longer applies to the funds. Please see our DC section for more on Phoenix.

On climate, however, it was among the worst providers – scoring just 12 points out of 59 for having no real discernable approach on climate in its pension funds. The company also has a poor record on voting at shareholder meetings, having voted largely with the board of companies on controversial issues including executive pay and labour issues. Additionally the firm only excludes two out of six controversial weapons and performs poorly on diversity at board level, with only 20 per cent female representation and little age diversity.

As mentioned above though, auto-enrolment members can move into Standard Life's full range of funds and this includes six ethical options: ***Standard Life Ethical Pension Fund; SLI European Ethical Equity Pension Fund; SLI UK Ethical Pension Fund; SLI Ethical Corporate Bond Pension Fund; Threadneedle UK Social Bond Pension Fund (see page 64) and HSBC Islamic Global Equity Index Pension Fund. It also offers two 'socially responsible' index tracker funds: Vanguard SRI Global Stock Pension Fund and Vanguard SRI European Stock Pension Fund.*** Be aware that trackers – which follow companies listed in main markets - usually just exclude tobacco companies, though.

How are the funds performing?
The default fund for the mastertrust scheme, Active Plus III Universal Strategic Lifestyle Profile, has far from shot the lights out – returning around half of NEST and The People's Pension's default options. Returns from the ethical options are, (a little unusually) broadly similar, ranging from 28.8 per cent (UK Ethical) to 22.8 per cent (Ethical Corporate Bond) over five years (see our personal pensions section for full figures).

Fund name	1 Year	3 Years	5 Years
Standard Life Active Plus III Universal Strategic Lifestyle Profile	3.4%	17.2%	27.7%

All performance figures are to 31 March 2019 and are before fees and charges (data from Standard Life)

How much do the funds cost?
Standard Life says that fees will vary depending on the employer, but will not exceed the government cap of 0.75 per cent a year.

NOW: Pensions

Again established in 2011 in response to the introduction of auto-enrolment, NOW: Pensions is associated with ATP of Denmark – one of the largest pension funds in Europe. Its mantra is cost-efficiency, performance and simplicity and this is reflected in its investment strategy. It uses one fund in the growth phase: Diversified Growth, before slowly moving customers via a 'glidepath' into the Retirement Countdown Fund, beginning ten years from retirement. It has no ethical or Shariah options.

How Good is NOW: Pensions?

NOW: Pensions received one of the lowest scores from Share Action on responsible investment (68 out of 227). This is because the firm does not use its investments to take action on material workforce risks such as supply chain issues or gender diversity. Moreover, it scored zero on engaging with portfolio holdings. This is because NOW: Pensions holds no voting rights over its investments due to the fact that it does not invest in companies directly, but through derivative contracts.

However, there are some bright spots. NOW: Pensions' does Ok on climate, dealing with climate-related risks through its exposure to green bonds that account for 13 per cent of the default portfolio while it has also analysed the carbon intensity of its portfolio – a step further even than NEST. The firm also scores highest among all auto-enrolment providers for gender diversity at board level, boasting 60 per cent female representation.

As mentioned, however, currently NOW: Pensions offers no alternatives to its default and Retirement Path funds, stating clearly on its website that this is a key part of its simplicity shtick. As justification, it points to the fact that 99 per cent of people stay in the default fund anyway (due to limited choice in the market, one might argue?). The Diversified Growth factsheet provides no details on the fund's holdings.

How are the funds performing?

According to its latest factsheet, the Diversified Growth Fund has consistently underperformed its target risk benchmark (specified as a 60 per cent equities, 40 per cent bond portfolio), as has the Retirement Countdown Fund, which has returned less than cash over one and three years. The firm has, however, just changed its investment manager, so better things may be forthcoming.

Fund name	1 Years	3 Years	5 Years
NOW: Pensions Diversified Growth Fund	4.2%	22.6%	26.6%
(Risk benchmark*: 60% equities, 40% bonds portfolio)	*(6.8%)*	*(23.7%)*	*(35.2%)*
NOW: Pensions Retirement Countdown Fund	0.5%	0.7%	n/a
(Benchmark: Cash)	*(0.6%)*	*(1.2%)*	*n/a*

Data is to 31 March 2019 and is before fees and charges (data from NOW: Pensions)

*NOW: Pensions says that it uses a cash + 3% benchmark for its Diversified Growth Fund. This is, however, unusual for a fund invested in global markets. As such, in order to give a fair representation of its returns, we have shown its performance against its target risk benchmark, which is more in-line with how a multi-asset fund should perform.

How much do the funds cost?

NOW: Pensions charges an annual investment fee of 0.3 per cent plus an administration charge of £18 (£1.50 per month).

Good at a glance:
Mastertrusts rated in a handy table

In the categories in the table below, we consider the above providers based on their investment policies, fund range, as well as their own company practices.

In combination with Share Action's findings, we use the criteria from our Good Egg Company accreditation process, which you can find out more about by visiting **http://goodegg.good-with-money.com/**

In each area we have awarded a gold egg for leaders, a plain egg for dawdlers and a broken egg for laggards.

	NEST	TPP	Aviva Mastertrust	Standard Life Mastertrust	NOW: Pensions
Good product choice	(Ethical and Shariah options)	(Ethical and Shariah options)	(None now, but ESG default coming)	(Six ethical funds - best)	(None)
Environment and climate	(Leading by a country mile)	(Nothing now, but planning to improve)	(Policies on worst offenders plus TFCD disclosure)	(No policies in place)	(Green bonds in default and carbon analysis)
Social and human rights (inc. weapons and labour policies)	(Not as good on weapons)	(Good voting but not good on weapons)	(Poor on on weapons)	(Poor on labour issues and weapons)	(Best on weapons)
Good governance (inc. voting record, executive pay and board diversity)	(Good on voting and 45% women on board)	(Good on voting and 25% women on board)	(Good on voting but only 20% women on board)	(Low gender diversity at board level	(No voting record but has most women on board)
Industry and customer (inc. communications and fair treatment of customers)	(Accessible, transparent, informative website)	(Accessible, transparent, informative website)	(Inaccessible website and no public information, but better for members)	(Inaccessible website but innovative member app)	(Good website but no info on fund holdings)
Performance, fees and charges	(One of best performing and cheapest)	(Good fee structure and good performance on alternative funds)	(Average)	(Among the lowest returns and fees undisclosed)	(Underperformed benchmark over 5, 3 and 1 year)
Overall Goodness					

Can I switch my mastertrust provider?

If you are auto-enrolled in a mastertrust, or any kind of pension scheme, then your employer will choose your provider and, unfortunately, you won't have a say. If you are lucky enough to be with NEST, The People's Pension, Standard Life (or another provider with Good alternative funds) then you have the option to align your pensions with your principles. Often, you can do this quite easily. In NEST's case it is as simple as logging in to your online account and switching funds on your lunch break, in-fact.

None of these funds will be the answer to everything, though. In some cases they may still hold energy companies as well as shares in controversial corporations across the world from Amazon, Facebook, Johnson and Johnson to Mastercard.

There are few that would advise leaving an employer scheme due to the **FREE MONEY** that you get from them, though. We repeat: saying no to free money is rarely sound financial planning.

This doesn't mean you don't have options, though. Indeed, as we explain later, you might choose to supplement your employee pension with a personal pension more closely aligned with your principles. Or, if your employer is open to contributing to a Self Invested Personal Pension (SIPP) for you instead of your employer scheme, you can take the bull by the horns and take full control of your pension (see our final section for more).

No matter what, the first port of call will be to dig out your paperwork and then, if necessary, get in touch with your HR department or work appointed financial adviser, who can help you further.

I'm self-employed. Do I get auto-enrolled?

Self-employed people do not have to enroll into a pension – but they really, really should. The self-employed have lots of options: from personal pensions (see page XX) to SIPPs and LISAs (page XX). If you want to keep things super simple, though, NEST also allows self-employed workers, sole traders and single person directors to enroll into its funds. You can contribute as often as you like as long as you add at least £10 each time. You can also stay enrolled even if you become employed, AND your new employer can contribute to your existing scheme. Find out more at www.nestpensions.org.uk

“Why it pays to be responsible”

By Diandra Soobiah, head of responsible investment at NEST

Firstly, we’re delighted to be supporting this guide. It took us very little time to confirm we’d love to discuss a topic that’s central to how we look after our members’ money: responsible investment.

At NEST one of our core principles is that we’re a responsible investor. We want to be doing the right things to grow your pension pot while helping build a world you want to live and retire in.

When we invest our members’ money in things like companies and infrastructure projects, we want to consider whether they:

1. Work to mitigate environmental impacts and are planning for a low carbon world
2. Manage relationships with people effectively
3. Are well run and transparent in how they operate

We apply this approach across all of our funds, including our main default Retirement Date funds. That means every member of NEST is automatically placed into a fund that aims to support good practices.

Take tobacco. Over the past couple of years, we’ve seen tobacco as an increasingly unsustainable industry that governments around the world are trying to regulate out of existence. The challenges tobacco companies face from global governments means they will find it more and more difficult to sell tobacco than they have done in the past.

Therefore, in June we began the process to go completely tobacco-free across all our investments. We believe tobacco is a poor investment for our members and therefore we no longer want to invest their money in it.

This approach fits with what our members say they want. When asked, three out of four – or 75 per cent – of our members said they wanted their pensions to be invested responsibly. That’s a clear steer for us as a scheme, and one we’ve put into practice.

Taking a responsible lead

In addition to divesting from tobacco, NEST has also helped pioneer a climate aware fund that boosts investment in companies moving to a low-carbon economy, while reducing investment in those with large carbon footprints. We've already invested more than £750 million this way.

Our members are shareholders and, on their behalf, we have a say in how companies are run through voting rights. And we're happy to challenge them when we believe they can be doing better, something we've done with companies like Shell and Exxon.

We also automatically exclude companies from our investments that are involved in internationally banned weapons, such as cluster munitions and land mines.

At NEST, we look after a huge amount of money on behalf of our 8 million members. And that amount only keeps getting bigger – we estimate that within a couple of years our members will have saved £15 billion for their retirement.

That's a huge amount of money and one that can have a huge amount of influence, depending on how it's invested.

Responsible rewards

Growing evidence shows that investing responsibly helps produce the best long-term returns. Looking at how companies are run and operate are crucial considerations for success, which is why our in-house investment team focus on them.

If a company isn't planning for how it can function in a low carbon economy, for example, then it might not survive long-term. If a business incentivises its executive board in the wrong way and pays its employees too little, evidence shows this affects productivity and sustainability – which ultimately impacts returns for shareholders like you.

Being a responsible investor means working with companies to ensure these issues are being well managed to reduce risk and increase value for our members, while also helping to build a better world. That's right: done properly, investing responsibly really is a win-win.

If there's one thing you do today, why not check how your pension scheme acts as a responsible investor? It's your money being invested, after all.

Defined benefit vs. Defined contribution

Ok, now we've covered the basics, we're going to get a little technical. Bear with us: it's worth the ride.

In terms of how they are actually structured, in the UK there are two main types of workplace pension scheme: final salary (aka defined benefit) and defined contribution schemes. Or – because they're both a bit of a mouthful – DB and DC schemes.

The key difference between them is that pensioners in a DB scheme get a guaranteed income every single year until the day they die, whereas those in a DC scheme get what they're given the day they retire and they need to make that stretch. The only thing guaranteed is the amount you put in, or your contribution. (As a quick side note, mastertrusts are DC schemes).

DB schemes used to be the norm and they are still the UK's biggest pension funds. The largest of them, the University Superannuation Scheme (USS), is in charge of more than £60 billion in total – the same as the total economy of Uruguay!

The UK's 10 biggest DB pension schemes

DB pension fund name	Size of fund	No. of members
1. Universities Superannuation Scheme	£60.6bn	396,278
2. BT Pension Scheme	£49.3bn	297,454
3. The RBS Group Pension Fund	£44.1bn	212,609
4. Electricity Supply Pension Scheme	£31.9bn	215,256
5. Barclays Bank Retirement Fund	£31.8bn	185,588
6. HSBC Bank Pension Scheme	£27.3bn	112,723
7. Railways Pension Scheme	£25.5bn	338,019
8. BP Pension Fund	£24.5bn	297,454
9. Greater Manchester Pension Fund	£21.3bn	358,111
10. Lloyds Bank Pension Scheme No.1 Defined Benefit Section	£19.8bn	102,806
Top 25 total	£336 bn	2.52 m

Fund sizes correct to May 2018 (Source: Parliament.co.uk)

As this table demonstrates, DB funds are beastly. The top 100 schemes hold more than £1 trillion of the UK's pension fund savings and, overall, a staggering 82 per cent of all the money invested in pensions in the UK is sitting in DB schemes.

Despite this, though, most of us average working Brits aren't in a DB scheme. While DB was popular back when we rarely lived more than a decade post-retirement, as we're all living longer now, these schemes are not stretching far enough and many are in deficit.

Due to the strain placed on DB funds most non-public sector schemes are closed to new members, with most active employees switched to DC funds instead.

Over 60 per cent of all private workplace pensions are now DC and nine out of ten Brits saving into a pension are putting their money into a DC scheme.

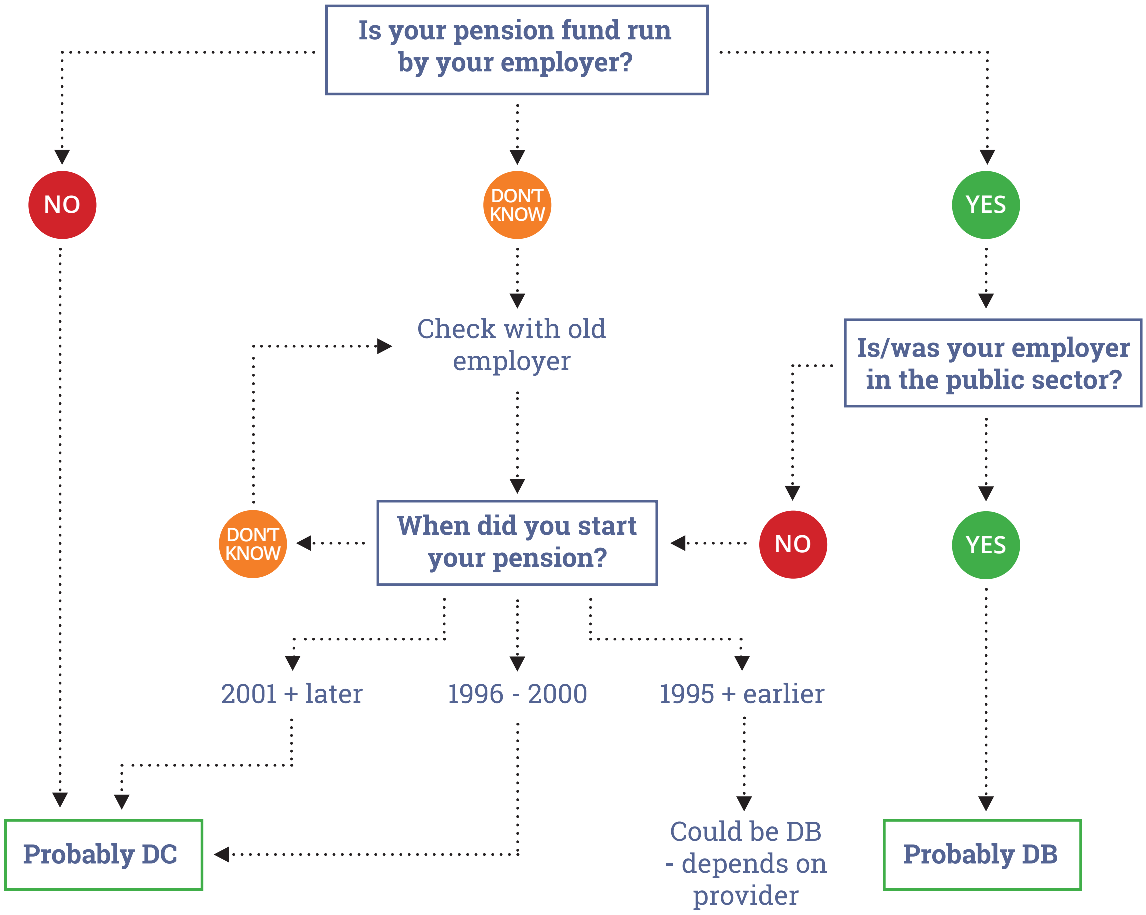
Of course, at first glance DB sounds way better than DC. "Guaranteed income until I die? Yes please!" But the fact that the market is evolving towards a different structure isn't all bad, especially for the Good investor. And here's why.

As with Mastertrusts, a board of trustees usually manages DB schemes, and they make all of the investment decisions – as a member you get little to no say in what your DB scheme invests in. This means that if your DB fund invests in Shell and British American Tobacco (as the £60 billion USS scheme does), so will you.

On the contrary, if you are in a DC scheme your employer will most likely have a contract with a pension provider and – as we saw with mastertrusts – you may get to choose in what kind of fund your money goes.

Am I in a DB or a DC scheme?

See our helpful flowchart to figure out if you're in a DB or DC scheme.



Group pension schemes

So, DC is the structure of most modern pensions. As mentioned above, mastertrusts are DC pensions, however they aren't the only type. Many companies run different types of DC group pensions that are typically more generous, offering higher contributions for their employees. Many will contribute 5 per cent of an employee's annual salary or more to start and then match employee contributions up to a certain level.

As with mastertrusts, almost all group pension schemes are invested in funds. However, the choice outside of mastetrusts tends to be bigger – including (in some cases) a range of very Good ethical and sustainable options.

The amount of money you get to retire on depends on how much you've been saving and what your investments have returned.

Will I retire in style?

DB schemes are, however, way, WAY better than DC schemes in terms of income at retirement. To demonstrate, we ran some numbers.

Below, we have looked at how much the average Brit can expect to see in her pension pot in a DB vs. a DC scheme, again using the average UK salary of £25,844 per year as our base case.

Defined Benefit
Here, we assumed a growth rate of 0.5 per cent every year and ran this through a DB scheme with an accrual rate of 1/80th (a fancy term used by DB providers – check your paperwork for your rate) to see what you might get – and what you would need in a DC scheme to match it.

Years in Scheme	Annual pension	Final DC pot required to match
10	£3,397	£133,000
20	£7,141	£280,000
35	£13,468	£523,000

Because of the way DB schemes work, this annual pension would also keep growing every year by a set amount – usually in line with inflation. Additionally, your spouse or partner will usually continue to get 50 per cent of the annual payment after you die.

The DC pot needed to match this doesn't take inflation into account, so this figure may actually be quite a bit higher.

Defined Contribution

For this calculation we looked at an example where your total contribution is 12 per cent of your salary per year (6 per cent from your employer, 4.8 per cent employee and 1.2 per cent tax relief).

Years invested	10 years	20 years	35 years
Pension pot	£41,808	£112,047	£312,991

We assume an investment growth rate of 5 per cent per year and a salary increase of 0.5 per cent per year. Figures are kindly provided by Good Egg Company and leading ethical financial adviser EQ Investors.

As you can see from this, the longer you invest the further your money goes. Remember, though, while the above is a fairly conservative calculation, returns are not guaranteed in a DC scheme.

Again, though, you might find investing ethically and sustainably helps to boost your pension pot over time. Along with a growing body of industry and academic evidence, this is demonstrated by the difference between the returns for default and ethical and sustainable options in the schemes below.

Who has my money?

If you are in a DB scheme, as we mentioned the board of trustees is in charge of your money and will use any number of methods to invest it. Dig out your paperwork to find out the name of your fund and then do a Google search. These days some of the schemes have websites, and some of them are pretty good. The USS site, for example, has a searchable database of its investments in company shares (equities): impressive for any kind of fund provider!

It is usually far easier to go digging in the DC space, though, and we have looked at five of the biggest providers. We refer in part to ratings from Ethical Consumer's guide to Ethical Pensions, as well as our own Good judgment.

A note on costs

You will notice as you read on that we have not said how much it costs to invest your pension with each provider, as we have done in the previous section. This is because firms have individual arrangements with employers when it comes to fees – so if you want the details, you'll need to dig out that paperwork.

5 Group pension providers reviewed

Aviva

Aviva effectively offers three different types of workplace pension product: Master Trust (covered in the previous section), Group Personal Pension (GPP) and a Group Self Invested Personal Pension (GSIPP). It operates two main default funds (Future Focus II & My Future Growth) across those three products, typically like this:

	GPP	GSIPP	Occupational Schemes & Master Trust
Small Employers (under 250 employees)	Future Focus II	n/a (an adviser or Aviva will help decide)	n/a (ditto)
Larger employers	Future Focus II	My Future Growth	My Future Growth

Source: Aviva communications department, July 2019

If you are with Aviva but not a Master Trust member, you will likely be in some form of the GPP and in the Future Focus II fund as your default. However, this is by no means a perfect science. Aviva - like Standard Life - suffers from its age and size. Pension schemes and funds have been set up, changed, and changed again for decades, so to know exactly what you are in you will - again - need to dig through your paperwork or login to the online member area (again, though, we can't verify this).

However, if you are an Aviva non-Master Trust member you definitely have access to a great range of ethical and sustainable options. These include most of the Liontrust Sustainable Future fund range, which are some of the most established sustainable funds in the market. See the Aviva Fund Centre for the firm's full selection. As mentioned in the previous section, Aviva also plans to introduce a new default ethical option: the Stewardship Lifestyle Strategy, so be sure to pester your employer about that.

How Good is Aviva?

As we mentioned previously, Aviva scored second best on responsible investment in Share Action's report, with the latter finding that Aviva does seek to show members how their savings impact the world. Ethical Consumer also gives Aviva a very respectable 8.5 out of 14, once again placing it second behind Royal London.

Aviva is also vocal when it comes to engagement, scoring high for voting against the board of large companies on controversial issues, including against Sports Direct back in 2017. The insurer has also been cutting its CEO's pay package – by more than half, in fact – and has also slashed bonuses. It's also well on its way to an equal split between men and women, with 49 per cent of employees female, though men still get paid 27.2 per cent more than women. It outlines commitments to various projects to close this gap, including the Women in Finance Charter and The Diversity Project.

However, Ethical Consumer did unearth reports citing investments in nuclear weapons manufacturers, as well as in companies that profit from Israeli militarism. On top of this, as recently as this year Aviva has come under fire for pouring millions of pounds into the Polish coal industry, and is the second biggest investor in coal: the most polluting industry within Europe. You will find Aviva's response to Ethical Consumer at **www.business-humanrights.org**.

How are Aviva funds performing?

We were not able to obtain performance figures for the Future Focus II fund, either through Aviva or independent sources. Aviva indicated in one email that it consists of two different funds (Diversified Assets I and Diversified Assets II). However we could not clarify this before going to press and so we have excluded it. Get in touch with Aviva to find our more. Below we have included a selection of the ethical and sustainable funds available through the Aviva Fund Centre. Again, though, individual policies vary so be sure to check your scheme to see what is available to you.

Fund name	1 Year	3 Years	5 Years
Aviva Pension AllianceBernstein Sustainable Global Thematic Portfolio	12.5%	60.6%	n/a
Aviva Pension AXA Ethical Distribution	1%	16.9%	28.1%
Aviva Pension Kames Ethical Corporate Bond	3%	13.1%	27.1%
Aviva Pension Kames Ethical Equity	-3.9%	5.5%	14.7%
Aviva Pension Legal & General (PMC) Ethical UK Equity Index	8.3%	31%	36.4%
Aviva Pension Liontrust Sustainable Future Absolute Growth	16.9%	54.8%	74.6%
Aviva Pension Liontrust Sustainable Future Cautious Managed	9.7%	35.2%	n/a
Aviva Pension Liontrust Sustainable Future Corporate Bond	2.7%	20%	33%
Aviva Pension Liontrust Sustainable Future Defensive Managed	8.4%	31.4%	n/a
Aviva Pension Liontrust Sustainable Future European Growth	-2.9%	27.9%	39.2%
Aviva Pension Liontrust Sustainable Future Global Growth	19.2%	62.3%	86.4%
Aviva Pension Liontrust Sustainable Future Managed	13.7%	44.8%	61.7%
Aviva Pension Liontrust Sustainable Future UK Growth	6.5%	38.7%	53.6%
Aviva Pension Liontrust UK Ethical	5.6%	33.6%	46.3%
Aviva Pension Premier Ethical	-3.5%	17.5%	28.9%
Aviva SPS HSBC Islamic Global Equity Index	18.6%	54.6%	93.1%

All performance figures are to 31 March 2019 and are before fees and charges (data from FE Analytics)

How much do the funds cost?

Aviva's wide range means that the fees for each individual fund will vary. The charges on the default option are kept under 0.75 per cent. Most of the Liontrust funds are around 0.6 per cent per year, although some share classes are 1.2 per cent; same with the Kames and AXA offerings. The HSBC Islamic fund is 0.7 to 1 per cent, depending on the share class, while Premier Ethical is 1.1 per cent and AllianceBernstein Sustainable Global Thematic Portfolio is 1.15 per cent. Again, though, this isn't fool proof and is likely to vary from employer to employer, so be sure to check. Aviva says there is no set up fee for a workplace pension and employees will pay between 0.2 per cent to 0.75 per cent a year in management charges while default funds won't be more than 0.75 per cent.

Legal and General

When it comes to the default option, Legal and General (L&G) is a real trailblazer in the workplace pension community. The L&G Mastertrust was the first to launch a multi-asset ESG fund as a default option: the L&G Future World Multi-Asset fund. This is great news because, as mentioned, 99 per cent of pension savers stick to the default option. This new product means employers can choose to invest the whole pension scheme for Good (we hope they do!).

The fund invests in a range of assets, with the company's Climate Impact Pledge at its heart, which aims to give companies a push towards a carbon-free economy. Fund fees are also low at 0.16 per cent, excluding platform fees (as different clients can have different fees). The firm also offers other ethical investment options aside from Future World, depending on what scheme you're in (see table below). As ever, the total fees will vary from employer to employer, so yours is the point of call if you have further questions.

Those not in the Furure World Fund will be in one of two others. These are either the L&G Multi-Asset fund or a range of Pathway funds, which offer a flexible approach to investing pension savings by matching the investment strategy to a target date at which you expect to be stepping back from the world of work. For the sake of performance comparison, we have looked at the Legal & General (PMC) 2055-60 Pathway fund, but you can find your own option on their website.

How Good is Legal and General?
Apart from its Climate Impact Pledge, L&G also sets out general corporate governance and responsible investment principles on its website and publishes an active ownership report. It also leads the industry in terms of voting on climate resolutions, according to a recent report from the 50/50 Climate Campaign.

But as with most finance bigwigs, the insurer's record is not spotless: in 2017, it scored poorly in the coal divestment category in a report by the 'Unfriend Coal' campaign, which is pushing for insurance companies to stop investing in and insuring coal. At the start of 2019 the insurer pledged to divest coal assets from its balance sheet, however it has not set a deadline and this does not apply to the asset management arm, which looks after the pension funds.

Meanwhile, female employees get paid 27.6 per cent less than men; however it does aim to have 40 per cent women in senior roles and 50 per cent in positions across the company by 2020. It also works with various diversity campaigns such as the 30 per cent Club, the Diversity Project and the Women in Finance Charter.

Ethical Consumer has called L&G out for investments in nuclear weapons producers, citing a recent report from The International Campaign to Abolish Nuclear Weapons (ICAN); as well as for likely use of tax avoidance schemes and excessive executive pay. Overall, L&G got quite a low score from Ethical Consumer of just 3.5.

How are the funds performing?

Fund Name	1 Year	3 Years	5 Years
F&C Responsible Global Equity	12.4%	51.6%	82.3%
F&C Responsible UK Income	4.3%	17.3%	30.4%
Kames Ethical Equity	-3.5%	4.6%	14.5%
L&G Future World Multi-Asset	N/A – recently launched		
L&G PMC Ethical Global Equity Index	12.3%	48.8%	76%
L&G PMC Ethical UK Equity Index	**7.5%**	**31.2%**	**34.5%**
L&G Multi-Asset fund	6.91%	30%	48.2%
Legal & General (PMC) 2055-60 Pathway fund	6.3%	n/a	n/a

All performance figures are to 31 March 2019 and are before fees and charges (data from FE Analytics)

Royal London

Royal London is a pretty big dog in the pensions world, managing a total of £40.5 billion in pension assets. For the ethical investor there is plenty to choose from, too: five multi-asset sustainable funds, an ethical bond fund and even an emerging markets fund – plus the HSBC Shariah fund. All at no additional cost.

Royal London says the sustainable funds only invest in companies that provide a net benefit to society, such as sustainable agriculture, healthcare, cloud computing and electric vehicles. Some £820 million is invested in these funds already and the group says this keeps growing.

The default fund is the Balanced Lifestyle Strategy, which is invested in three of the group's risk-targeted Governed Portfolios. But the equities, or company shares, within the Governed range can be selected by the customer herself, so there is an option to use the Royal London Sustainable Leaders trust (which invests solely in equities) in place of, or alongside the default equity strategy. The switch can be done online, or by completing and sending a 'Change of Investments' form.

How Good is Royal London?

Royal London Asset Management has been a signatory of the UN Principles for Responsible Investment since 2008, which means it follows a responsible investing policy across all its products, although the UN PRI says this does not include the funds within its Pooled Pension fund. The policy also does not explicitly take into account climate change.

Another Good initiative for pension savers is 'ProfitShare', through which the firm gives a share of its profits to savers. The insurer's full voting records are available on its website, so thumbs up for transparency.

In a report in April, Royal London revealed men are being paid 34.2 per cent more than women per hour on average, however the group has a number of clearly outlined programmes and initiatives to close this gap. It also aims to have 40 per cent women in senior roles by 2020, which is higher than many of its competitors.

Ethical Consumer gave Royal London the highest score out of the pension providers it reviewed – 12 out of 14.

How are Royal London funds performing?

Fund Name	1 Year	3 Years	5 Years
Royal London Governed Portfolio 4	6.5%	27.5%	43%
Governed Portfolio 5 (Drawdown)	6.2%	24.8%	40.1%
Governed Portfolio 6 (Drawdown)	5.2%	18.7%	31%
RLP Emerging Markets ESG Leaders Equity Tracker	n/a - Launched in June 2018		
RLP Ethical Bond	3.1%	15.9%	31%
RLP HSBC Islamic Global Equity Index	17.5%	49.5%	82.8%
RLP Sustainable Diversified Trust	7.7%	30.3%	n/a
RLP Sustainable Leaders Trust	10.3%	27.7%	24.5%
RLP Sustainable Managed Growth Trust	n/a - Launched in June 2018		
RLP Sustainable Managed Income Trust	n/a - Launched in June 2018		
RLP Sustainable World Trust	n/a - Launched in June 2018		

All performance figures are to 31 March 2019 and are net of 1% annual management charge (data from Royal London)

Scottish Widows

Trying to find the fund list for Scottish Widows workplace pensions was a multi-day exercise in jumping through hoops, despite your writer being a member of its workplace pension herself! Even once you log into your account you can't see it – you have to phone or e-mail to get your hands on it, and don't expect it to end up in your hands immediately.

But once you do claw your way through the bureaucracy, the choice isn't bad. The default solutions are either the Scottish Widows Pension Portfolio Two, which invests in a range of tracker funds (mostly powered by State Street Global Advisors), or the Zurich Passive Multi Asset IV, which is also invested passively and aims to achieve capital growth over the long term.

Scottish Widows itself has two ESG options – the Scottish Widows Environmental and Ethical Pension funds. Both are managed by a subsidiary of Standard Life Aberdeen and both use a combination of negative screening for really bad companies and engagement with the ones that make it past the screen.

But the real boost came when Zurich's workplace pensions and savings business got transferred over to Scottish Widows. In fact, Zurich offers six ethical and sustainable options and one Shariah product – happy days! However, it's always worth looking under the bonnet of these funds: For example, Zurich Ethical has Johnson and Johnson and Royal Dutch Shell among its top holdings.

How Good is Scottish Widows?

Scottish Widows outlines its approach to various controversial issues on its website. For example, it does not invest in cluster munitions and landmine companies within any of its funds. It also aims to invest less in coal companies – but unfortunately does not commit to divesting from coal or oil and gas completely.

On the equality front, Scottish Widows is storming ahead – women earn 18.3 per cent less than men and occupy 37.4 per cent of the highest paid jobs (although there are no clear goals set out for improving this in the future). But its parent company Lloyds Banking Group has been in the spotlight for the whopping £6.3 million it paid its CEO, Antonio Horta-Osorio, last year.

The bank does, however, have a detailed diversity policy and has been a signatory to the UN PRI since 2012. It is also behind the Helping Britain Prosper plan, which aims to help improve the social, economic and environmental situation in the UK. There are question marks over its ethics, though, with Lloyds recently fined £45 million for failing to disclose suspicions of fraud at its Reading branch. It also has a bad record on weapons, with reports that it is profiting from investments in nuclear weapons and arms sold to the Israeli government.

Overall, Scottish Widows gets a so-so score from Ethical Consumer – 4.5 out of 14. Zurich got a slightly higher overall score of 5, but has recently been taking some Good steps, including becoming the first insurer to sign up to a pledge to limit average global temperature increases to 1.5 per cent by 2030 and says it will use only renewable power by 2022. It also said it won't invest or insure companies that rely heavily on oil and coal.

How are the funds performing?

Fund Name	1 Year	3 Years	5 Years
Scottish Widows Pension Portfolio Two Pension Series 2 (default)	5%	30.6%	39.3%
Zurich Passive Multi Asset IV (default)	9.5%	34%	47.4%
Scottish Widows Environmental Pension Series	9.7%	26.7%	28.8%
Scottish Widows Ethical Pension Series	6.7%	27.5%	27.3%
SW Threadneedle UK Social Bond Pension Series	1.5%	n/a	n/a
Zurich* Ethical	12%	42.6%	60%
Zurich Henderson Global Sustainable Equity	8.9%	43.9%	58%
Zurich Jupiter Ecology	0.9%	n/a	n/a
Zurich L&G Ethical Global Equity Index	12%	42.5%	60%
Zurich Schroder QEP Global ESG	-0.7%	n/a	n/a
Zurich Shariah	18.8%	46.8%	70%
Zurich Stewart Investors World Wide Sustainability	9.3%	40%	n/a

All performance figures are to 31 March 2019 and are before fees and charges (data from Scottish Widows)

*As of 1 July, when Scottish Widows completed the acquisition of all Zurich's workplace pension customers – all former Zurich funds have been renamed Scottish Widows

Prudential

Prudential weren't very forthcoming about their offering, but we did manage to find out what they have eventually. Depending on the type of scheme you are in, Prudential offers members access to the LGIM Ethical Global Equity Index and the LGIM Ethical UK Equity Index (powered by Legal and General and already mentioned above), as well as the HSBC Islamic Global Equity Index, which is the Shariah-compliant fund of choice for many providers. But funds from external providers often mean higher fees.

It also runs its own Prudential Ethical fund, which invests in UK companies based on ESG criteria. But a peek at the top holdings could once again cause some raised eyebrows: the fund's top holding is Royal Dutch Shell, while the top ten is made up of large firms with questionable ethics, such as GlaxoSmithKline and Rio Tinto. All these companies have managed to meet ethical criteria to make it onto the FTSE4GOOD UK Index, but that's a pretty low bar.

The default option is the Prudential Dynamic Growth IV Lifestyle – Targeting Retirement Options. The Prudential Dynamic Growth IV fund is used in the accumulation phase of the lifestyle up to 10 years before the customer plans to take their benefits. This is a dynamic multi-asset portfolio and it will come as no surprise that Shell, BP and British American Tobacco are in the top ten holdings (though these are small).

Prudential UK is currently reviewing its ESG investment proposition for workplace pensions and plans to begin delivering a programme of developments during 2020.

How Good is Prudential?

On the environmental front, the company is investing in various areas to mitigate climate change, such as renewable energy, green bonds and green real estate, and has also been doing better according to ClimateWise. Its investment management business, M&G Investments, is also a signatory of the UN PRI and a member of Climate Action100. Prudential also signed up to RE100 in 2018 to achieve 100 per cent renewable electricity by 2025 across its investment estates.

On diversity, Prudential is taking some steps to increase the number of women in the workforce, and like many competitors has signed up to the Women in Finance Charter. However, just 44 per cent of its employees are women at this stage, worse than many fellow insurers, though the pay gap between men and women isn't as bad as some at 27.1 per cent. It aims to have 30 per cent women in the leadership team by 2021 (and at least 27 per cent by the end of this year).

It has a governance policy which undergoes annual reviews. However, Ethical Consumer calls it out for a lack of transparency around its voting record. Overall, Prudential plc gets quite a low score from Ethical Consumer of 3 out of 14.

How are the funds performing?

Fund Name	1 Year	3 Years	5 Years
Prudential Dynamic Growth IV	6.2%	36.6%	n/a (launched 2015)
Prudential Ethical	8.7%	28.4%	30.6%

All performance figures are to 31 March 2019 and is before fees and charges (data from FE Analytics)

The other funds will have similar performance to that already shown in the tables above, with potential small deviations as a result of the fees charged by Prudential.

Good at a glance:
Workplace pension providers rated in a handy table

In the categories in the table below, we consider the above providers based on their investment policies, fund range, as well as on their own company practices.

To do this we use the criteria from our Good Egg Company accreditation process, which you can find out more about by visiting **http://goodegg.good-with-money.com/**

In each area we have awarded a gold egg for leaders, a plain egg for dawdlers and a broken egg for laggards.

	Aviva	L&G	Royal London	Prudential	Scottish Widows
Good product choice	(Wide range of Good options)	(Default ESG option)	(Wide range of ethical funds)	(In-house ethical fund poor)	(Strong range with Zurich funds)
Environment and climate	(Policies on worst offenders plus TFCD disclosure)	(Not great on coal, good on climate voting)	UN PRI signatory	(member of a range of initiatives)	(No coal divestment)
Social and human rights (inc. weapons, labour and diversity policies)	(Poor on weapons)	(Diversity pledge, but concerns over tax avoidance and nuclear weapons)	(Policies on increasing diversity, Profit Share)	(Diversity policy not as strict as others)	(Bad on weapons)
Good governance (inc. voting record, executive pay and board diversity)	(Good on voting but only 20% women on board)	(Good voting on climate, excessive director pay)	(Policies to close gender pay gap)	(lack of transparency on voting record)	(Low gender pay gap, but Lloyds executive pay issues)
Industry and customer (inc. communications and fair treatment of customers)	(Inaccessible website and no public information but better for members)	(Factsheet lacks info)	(Transparent, good info on website)	(Hard to find fund info)	(Hard to get info)
Performance, fees and charges	(Default fund poor performer, average fees)	(Low fees, returns good)	(ESG funds at no extra cost)	(Performance mediocre, lots of external funds)	(Zurich funds doing well, Scottish Widows not as well)
Overall Goodness					

Can I switch my DB or DC provider?

If you are in a DB scheme and hate what it invests in, don't despair. Caroline Escott, ESG specialist at the Pensions and Lifetime Savings Association says many UK DB schemes are actually taking quite big strides on the ESG front, and the government is placing stricter controls on them too. She suggests looking at their annual report to find out what they are doing, and if you don't like what you see write to the trustees to demand change: it is their duty to reply to you.

If you want more control over your investments, your best option may be to keep your DB benefits but take out a personal pension or Self-Invested Personal Pension (SIPP) on top of that, which we cover in the following sections.

If you are a true eco-warrior, you may try to talk to your employer about the option of switching into a personal pension instead. An employer can pay into your personal pension instead of the default workplace pension, but not many DB schemes are likely to be this flexible. Beyond this, your options are outlined in the next section of this guide.

But we have to stress the decision to switch from DB should not be taken lightly. In fact, if you have accumulated a DB pension with guaranteed benefits exceeding £30,000, then you legally have to seek independent financial advice before you can transfer. But even then, a recent warning from the regulator has criticised advisers for recommending too many transfers, as financially this is usually not the smartest move for consumers – in fact, it said this is probably one of the most complex financial decisions consumers will ever have to make, so it's really worth your time to have a proper think before taking the plunge.

If you want to switch between funds within your DC workplace pension, in most cases it's an easy online jobbie, though as mentioned some providers will make you write or call to make the switch. It shouldn't take you a long time to switch though, and with ethical funds on offer from all the biggest providers, more often than not you'll be able to find something that matches your morals.

Part 2:
Private pension schemes

Personal pensions

Having an employer help you set up your pension is great, but what if you're self-employed? And what if, having asked your employer about switching into an ethical fund and come across a resounding 'no' you still want to try and do something Good with your retirement savings?

Well, then it may be time for you to explore the wonderful world of personal pensions!

Personal pensions aren't too dissimilar to the DC workplace pensions we have already explored, but there are a couple of key differences.

Firstly – and this is the really Good part – a personal pension often gives you more choice and flexibility to match your savings with your scruples and support companies that score highly on ethical and environmental issues.

Personal pensions are also super flexible. Depending on the provider, you can start with any amount at all and make regular or one-off contributions whenever you want.

All of this means a personal pension plan could make a great compliment to an existing workplace scheme, as well as being a great option for the self employed or those maybe taking a career break (Hello, new mums!)

Remember: 8 per cent of annual income is the recommended amount to stash for our retirement per year.

Taking back control

Thanks to some groundbreaking innovation from our sponsor PensionBee, personal pensions may also be just what you need to sort out that pile of old plans you have floating around – somewhere.

The average Briton now has 12 jobs in their lifetime and each of these jobs usually comes with its own pension. Now, until the UK government WAKES UP and implements a functional pension system like the 401k in the US, or the Superannuation Plan in Australia (both of which SAVERS control, taking them from job to job for any employer to pay into), it's up to you to keep track of all these pensions. And this 'aint easy.

Indeed, the Association of British Insurers found last year that up to £20 billion of pension money could remain unclaimed - that's 1.6 million pension pots that will never be cashed in.

PensionBee can help you take control of this situation and, crucially, start saving in an easy-to-understand and even ethical way. They do this by helping you track down all your old pensions and then combining them into one plan that you can manage online, like your bank account. We know, right? The dream!

Tax 'n' stuff

One more thing if you're not convinced already - just like with workplace pensions you don't pay tax on your contributions. As before, you will get the first basic rate 20 per cent back automatically and the higher and additional rate payers claim the further 20 or 25 per cent back in their tax returns (more free money!).

As with any other private pension, from the age of 55 you can take out a tax-free lump sum from your personal pension up to 25 per cent, or a quarter of the value of your pot. After this, withdrawals that put you over your annual tax-free allowance (currently £12,500 for most) will be taxed at your income tax rate at that time.

As we've mentioned, if you want to combine a personal pension with a workplace pension you can – as long as your total pension savings for the year don't go over £40,000 – which, let's face it, is a mythical number for most of us.

Will I retire in style?

We've looked at what saving £50, £100 and £250 of your salary into a personal pension might yield over the long-term. Check it out.

	£50 net per month	£100 net per month	£250 net per month
10 years	£9,905	£19,810	£49,525
20 years	£26,039	£52,078	£130,197
35 years	£71,127	£142,254	£355,636

Just to help demonstrate the power of saving as much as you can for your retirement, too, we took a look at how much you could have if you choose to save into a personal pension ON TOP of the minimum contribution of 8 per cent of annual salary set for a workplace pension (4% employee, 3% employer and 1% tax relief).

Personal pension + AE

	AE + £50 PP	AE + £100 PP	AE + £250 PP
10 years	£50,348	£60,253	£89,968
20 years	£134,427	£160,466	£238,585
35 years	£373,897	£445,024	£688,406

We assume an investment growth rate of 5 per cent per year and take into account the government's tax relief. This means that, effectively, £62.50, £125 & £312.50 is saved per month, respectively. Figures are kindly provided by Good Egg Company and leading ethical financial adviser EQ Investors.

Again, pension savers that choose ethical or sustainable options where available may also benefit from higher returns, as suggested in the performance of some of the funds listed below, and throughout this guide. ***This is never guaranteed though! And remember: past performance may not be the same as future performance.***

Who has my money?

The line between DC workplace pensions and personal pensions is often a little blurred, as many of the largest insurers and asset managers provide both options.

FTSE 100 companies Aviva, Standard Life/Standard Life Aberdeen (the new name for some parts of the company) Legal and General, and Prudential are big players in both areas.

Rather than say the same stuff about the same companies over and over again, though, in this guide we have tried to focus on different providers.

Increasingly, they are also seeing competition from smaller companies, especially online wealth managers (aka. 'robo-advisers') with firms like Nutmeg, Canada's Wealthsimple and Italy's Moneyfarm all reaching out for a piece of the personal pension pie.

With this in mind, we take a look at Nutmeg and compare its pension product offering to a couple of the larger players, as well as that from our sponsor PensionBee.

Because we are all about empowering you to reach your own financial freedom, in this list we have only looked at the personal pension providers that let you access their products directly – rather than those that require you to go through a financial adviser.

5 Personal pension providers reviewed

Aegon Retiready

Aegon is one of the largest insurers in the UK market, with quite a sizeable chunk of the pensions market too – it's in charge of £158bn for customers in the UK. Currently, it offers personal pensions direct to consumers through its Retiready platform – which is pretty easy to navigate. However, according to reports, Aegon is considering taking a step back from direct-to-consumer pensions. So that's already a potential red flag.

Worse still, Aegon only offers its customers a choice of five funds. Like many of the auto-enrolment and DC default funds, these are based on different appetites for risk – and none of these specifically consider the environment or the world at large in the investment process. This is the plain vanilla ice-cream option of the personal pension world: no choice of toppings. The Retiready website also makes it clear that your money is being invested through a third-party asset manager: BlackRock – aka. the world's biggest financer of fossil fuels.

How Good is Aegon?

Aegon does have a Responsible Investment Policy, and as part of this it does not invest in companies that derive more than 30 per cent of their revenue from coal production. However, as we have already mentioned, BlackRock – which is behind its pension funds – very much does. Last year, the manager was called out by a coalition of environmental groups for funding 30 per cent of the world's carbon emissions, as well as for a lack of transparency around its shareholder voting. This campaign – aptly labelled 'BlackRock's Big Problem' – is still ongoing.

In a gender pay gap report in April 2018, Aegon reported that men get paid on average 35 per cent more than women. Not the worst in the industry, but not great. The company recognised this though, and says it is taking measure to change this, including targeting 33 per cent female representation within senior management. The company also sets out a human rights policy and a diversity policy on its website.

Ethical Consumer gives Aegon Pensions a relatively low score of 4 out of 14, citing other issues such as investment in palm oil and nuclear weapons. Aegon also got marked down for its potential use of tax avoidance schemes and excessive director pay in the past. Reports also suggest Aegon's customer service could do with improvement. Finally, PensionBee recently wrote to the group's CEO to complain about the "arduous" process of transferring your pension away from Aegon.

How are the funds performing?

Fund name	1 Year	3 Years	5 Years
Retiready Stability	0.1%	0.4%	n/a
Retiready Solution 2	6.1%	24.9%	43%
Retiready Solution 3	6.2%	28.4%	45.8%
Retiready Solution 4	6.4%	32.7%	48.8%
Retiready Solution 5	5.5%	34.6%	48.3%

All performance figures are to 31 March 2019 and are before fees and charges (data from FE Analytics)

How much do the funds cost?
Retiready has a maximum service fee of 0.5 per cent per year and no set-up or transfer fees. On top of this, the funds cost 0.4 per cent a year. But with no ethical option, a total fee of 0.88 per cent is on the high end.

PensionBee

As we have already mentioned, PensionBee helps you to bring all of your existing pension schemes under one roof – an invaluable resource in the current (needlessly) complex pension landscape. The sign up process is super simple: you need only register, tell PensionBee where you think those old pensions might be, give them permission to transfer your funds, and hit confirm.

PensionBee currently offers investors seven different plans. Five offer different levels of risk and different asset mixes. These are: Tracker, which invests money in tracker funds across the world; Tailored, which changes the investments in your funds throughout your life cycle; 4Plus, which aims for a long-term growth of 4 per cent a year; Preserve, which looks to reduce the risk of your portfolio; Match, which tries to follow the investment strategy of the wider pension industry.

These plans are managed by some of the largest managers in the world: State Street Global Advisors and BlackRock. Of course, being huge companies, their records are not spotless – especially BlackRock (see above) – but it does mean the costs of running your funds are kept low.

And then, of course, is the crown jewel: The Future World Plan. The Future World Plan is what really makes PensionBee Good. Powered by Legal and General, this invests according to environmental, social and governance (ESG) principles (see below for more). The firm has also recently launched the PensionBee Shariah plan (managed by HSBC).

How Good is PensionBee?
PensionBee's incredibly user friendly website and intuitive app are big winners in the knotty world of pensions. The latter allows members to login to their personal 'BeeHive' and contribute to their plan anytime, anywhere. Handy tools such as its pension calculator – which helps you to see how much you might need to fund the retirement of your dreams – are also big bonuses. PensionBee gets a big thumbs up from personal finance website Boring Money, boasting an impressive score of 4.5 out of 5 for customer service and a shout-out for being "digitally smart and well thought-through". It also gets a score of 9.2 out of 10 on Trustpilot based on more than 1,000 reviews.

The firm is also way ahead of the market on female representation on its senior management team. Last year it announced that it reached an impressive 60 per cent women (the chief executive herself is female) – and is also making an effort to recruit women into roles that are traditionally male-dominated. It is also a major force for Good in the pensions world, working closely with groups and organisations such as Share Action (as well as our Good selves, of course) on how to get more people engaged with their pensions and saving more for their retirement.

While it doesn't yet publish specific responsible investment guidelines, we are reliably informed that this is in the works. It is worth noting, too, that like many similar ESG funds Legal and General Future World does invest in oil and gas major Royal Dutch Shell, as well as scandal-ridden Johnson and Johnson. Legal and General says it invests in companies that are less carbon intensive or earn green revenues. Many investors are also keen to stress that engagement with firms doing harm can also be effective, helping to hold boards to account.

Nutmeg

Robo-adviser Nutmeg launched its pension offering in 2015. As well as ten 'fully managed' risk rated tracker portfolios (rated from 1 for lower risk to 10 for higher risk), it also offers a range of Socially Responsible Investment (SRI) portfolios, all of which invest in index tracker funds run by a range of ETF providers and based on ESG criteria from US firm MSCI. Nutmeg does, though, have a relatively high minimum investment of £500 to open a personal pension.

How Good is Nutmeg?
Nutmeg gives you lots of information on your portfolio choice. This includes a score that helps you align your investment with your values and an explanation of the impact you're having through your investments, which Nutmeg applies to all its funds based on research from MSCI. The robo-adviser also signed up to the UN PRI last year when it launched its SRI range.

On diversity, Nutmeg aims to have a 50 per cent gender split within senior management by 2020. However, as of September 2018 just 29 per cent of its senior management are women, and the company itself admits it has a long way to go to achieve its goal; but it does have a number of initiatives in place. It gets a pretty good review from customers on Boring Money, with most praising it for its simplicity, and wins an overall score of 4 out of 5.

Also, it is worth noting that the MSCI ESG screen used for the socially responsible portfolios only have baseline exclusions: tobacco and controversial weapons, including nuclear and chemical. Other areas, such as fossil fuels, companies that derive 5 per cent or less of their revenues from alcohol, and mining, are fair game, though the screen focuses on 'best-in-class' examples.

How are Nutmeg funds performing?

Nutmeg says most pension savers don't tend to go for its lowest risk funds because of the meagre returns you get from these portfolios: Fully Managed 1 is pretty much a cash equivalent. Its annualised return is just 0.9 per cent and 3.2 per cent over five years to 31 May, according to the online factsheets. The most popular portfolios are risk levels 6 to 10. We have listed returns for 6, 8 and 10 below.

Fund name	1 Year	3 Years	5 Years
Nutmeg Portfolio 6	2.5%	17.4%	20.9%
Comparative ARC benchmark	*3%*	*15.8%*	*22.3%*
Nutmeg Portfolio 8	3.3%	26.4%	32%
Comparative ARC benchmark	*4.9%*	*23%*	*31%*
Nutmeg Portfolio 10	3.6%	30.4%	41%
Comparative ARC benchmark	*6.1%*	*28.5%*	*35.5%*

All performance figures are to 31 March 2019 and are after fees and charges (data from Nutmeg)

Because the socially responsible funds were only launched in November 2018, Nutmeg doesn't provide performance figures for them. But a sneak peak at the online factsheets shows the projected average annualised return for each fund is the same as for the corresponding fully managed portfolios. You can see the latest performance figures for all of the funds on Nutmeg's website.

How much do Nutmeg funds cost?

Both Nutmeg's fully managed and socially responsible pension portfolios costs 0.75 per cent per year for savings up to £100,000 and 0.35 per cent on anything more, plus an annual fee of 0.33 per cent for the management of the socially responsible funds or 0.19 per cent for the fully managed option. This is a higher fee than PensionBee for what are essentially tracker funds.

Standard Life

Provided you pick a DIY Personal Pension, the choice of funds with Standard Life is – as we covered in the auto-enrolment section – pretty wide and includes the same tracker funds from Vanguard. As we've mentioned, though, many trackers simply exclude tobacco and the worst of the energy giants. You can view the top ten holdings for most funds on the factsheet, which should give you a good gist of the portfolio. Standard Life is less flexible in terms of contributions, requiring a minimum of £800 to open a personal pension or a regular payment of at least £80 each month.

How Good is Standard Life?

The pension provider Standard Life Assurance is part of the Phoenix Group, sold to it by Standard Life Aberdeen in September 2018. On climate issues, the group actively invests in climate change initiatives, and in 2018 invested £50m in Anglian Water's Green Project, which helps to finance projects that will mitigate climate change impacts and the conservation of water resources. The group also has an employee led focus on reducing, re-using and recycling and diverts 100 per cent of their waste from landfill.

However, last year Phoenix Group was among three insurers reported to the regulator by ClientEarth for failing to disclose climate risks in their annual reports, with the potential to be fined.

Phoenix is also a signatory of the Women in Finance Charter and has set clear gender diversity targets, but these were not reached in 2018. For that year, the group was targeting 30 per cent women in the top 100 roles, but only reached 20 per cent representation, while 26 per cent of the group's successors are female, below its target of 40 per cent. The mean gender pay gap across the company was 23.3 per cent, lower than many competitors, but above the target of 22 per cent. These targets are now set for 2021.

Standard Life Assurance customer service record was tarred earlier this year when it was fined £31m over a mis-selling scandal where call centre staff overcharged millions of customers.

How are the funds performing?

Fund Name	1 Year	3 Years	5 Years
SL HSBC Islamic Global Equity Index Pension Fund	17.7%	50.4%	84.2%
SL SLI Ethical Corporate Bond Pension Fund	2.3%	12.5%	22.8%
SL SLI European Ethical Equity Pension Fund	-3.9%	26.7%	27.1%
SL SLI UK Ethical Pension Fund	-1.2%	22.1%	28.8%
SL Threadneedle UK Social Bond Pension Fund	1.4%	9%	n/a
SL Vanguard SRI European Stock Pension Fund	0.8%	26.7%	27.4%
SL Vanguard SRI Global Stock Pension Fund	9%	42.6%	66%
Standard Life Ethical Pension Fund	0.3%	20.7%	27.6%

All performance figures are to 31 March 2019 and are before fees and charges (data from Standard Life)

How much do the funds cost?

The charges on some of these funds are pretty high: the UK Ethical Pension fund costs as much as 1.86 per cent per year in total, for example. The Standard Life Ethical Pension option is the cheapest at 1.01 per cent.

Fund Name	Total annual charge
SL HSBC Islamic Global Equity Index Pension Fund	1.31%
SL SLI Ethical Corporate Bond Pension Fund	1.42%
SL SLI European Ethical Equity Pension Fund	1.88%
SL SLI UK Ethical Pension Fund	1.86%
SL Threadneedle UK Social Bond Pension Fund	1.39%
SL Vanguard SRI European Stock Pension Fund	1.02%
SL Vanguard SRI Global Stock Pension Fund	1.02%
Standard Life Ethical Pension Fund	1.01%

Virgin Money

The Virgin group may be progressive in a number of areas, but the choice of investments for its personal pension clients is not one of them. There are only five funds, and just like Aegon's Retiready, they are all pretty vanilla. The funds are also, again, trackers, and not ESG or SRI trackers either. This means they tend to invest in all the stocks within an index (such as the FTSE 100, for example), regardless of ethics. This means holdings in Shell and BP, to name but a few.

The company does say ESG factors are considered when exercising its voting rights, though. Virgin also says it will be reviewing its range of pension funds as a result of its joint venture with Aberdeen Standard Investments, which was announced recently, so there is a chance the choice will improve. It does offer a Climate Change fund through its Stocks & Shares ISA but as it has an annual fee of 1.3 per cent it isn't available through the personal pension plan.

How Good is Virgin Money?

The company itself scrubs up relatively well in terms of its ethical standing, winning a high score from Ethical Consumer compared to peers: 7.5 of out 14, which puts it third in the list. The company also established a Sustainability Committee in 2018 and is working towards a goal of net zero greenhouse gas emissions by 2030. In its annual report, it also outlines a zero tolerance policy on slavery and human trafficking.

It has a diversity policy set out on its website, outlining its aim to have a balanced board with at least 33 per cent made up of either gender, and also at least one ethnically diverse director. It aims to have a 50/50 gender split across the company by 2020. Currently 30 per cent of its senior managers are female, up from 18 per cent in 2016.

However, it's not all Good news. Its owner, CYBG bank, has been the subject of a shareholder revolt over executive pay recently while the takeover is said to be resulting in at least 1,500 job cuts. Overall though, the bank gets a higher rating from Ethical Consumer than Virgin itself, 8 out of 14. Customers give Virgin Money a lukewarm rating of 3.5 out of 5 on Boring Money, but a glance at Trustpilot will put you off it completely, with 84 per cent giving it a bad review.

How much do the funds cost?

Until recently, the company had been criticised for ripping off its customers, but the high charges on its default pension have now been dropped from 1 per cent to 0.6 per cent. Unfortunately, three of the five funds still charge 1 per cent. The company does make you aware of the charges through its website, so at least you are adequately warned.

How are the funds performing?

Fund name	1 Year	3 Years	5 Years
Virgin - Pension Bond and Gilt	3.9%	7.6%	21.8%
Virgin - Pension Bond Gilt and UK Share	4.1%	15.9%	n/a
Virgin - Pension Bond Gilt UK and Overseas Share	4.9%	25%	n/a
Virgin - Pension Global Share	2.8%	36.2%	n/a
Virgin - Pension Growth	4.9%	27.5%	28.3%

All performance figures are to 31 March 2019 and are before fees and charges (data from FE Analytics)

Good at a glance:
Personal pension providers ranked in a handy table

In the categories in the table below, we consider the above providers based on their investment policies, fund range, as well as on their own company practices.

In combination with findings from Ethical Consumer and Boring Money, we use criteria from our Good Egg Company accreditation process, which you can find out more about by visiting **http://goodegg.good-with-money.com/**

In each area we have awarded a gold egg for leaders, a plain egg for dawdlers and a broken egg for laggards.

	Aegon Retiready	Pension Bee	Nutmeg	Standard Life	Virgin Money
Good product choice	(No ESG option)	(Future World and more)	(ESG range but only screened for tobacco and chemical weapons)	(Wide range of Good options)	(No Good option)
Environment and climate	(Funds managed by BlackRock, which has bad record)	(Not published yet)	(Clear and transparent policies)	(lack of reporting)	(New sustainable committee)
Social and human rights (inc. weapons and labour policies)	(Nuclear weapons)	(Recruiting women to male dominated roles)	(Strong policies in place to improve diversity)	(mis-selling scandal)	(Job cuts as result of merger)
Good governance (inc. voting record, executive pay and board diversity)	(Tax avoidance, director pay)	(60% female management team)	(Low number of women in senior roles)	(Missed diversity targets)	(High executive pay at parent firm)
Industry and customer (inc. communications and fair treatment of customers	(Hard transfer process, move away from direct to consumer)	(Transparency, happy customers)	(Transparency, happy customers)	(Transparent website)	(Bad reviews)
Performance, fees and charges	(Fees high for what you get)	(Competitive fees)	(But more expensive than PensionBee)	(High fees)	(Fees still high, performance concerns)
Overall Goodness					

How do I get started?

Personal pensions are easy to set up. In fact, many providers are keeping up with the times by offering a full-on digital experience, like an online chat-bot to help you if you get stuck. In this section, we have only looked at personal pension plans that you can open directly with the provider – so all you need to do is go on their website or give them a call to get the process started.

Many providers allow you to bring old pensions together in one pot, which is a good idea to help you keep on top of your pension savings. It can also help you save some cash, as many pensions have hidden fees that you might not be aware of. PensionBee is among those that can help you to track down your old pension, though you can also do it yourself by contacting your previous employers.

As mentioned, you may want to use a personal pension to consolidate old schemes and then have that running alongside a workplace pension if your employer offers good terms.

If personal pensions still don't seem to offer enough choice, though, then read on to find out about Self-Invested Personal Pensions (SIPPs) and Lifetime ISAs – the gold standard when it comes to taking control of your future finances.

“PensionBee makes pensions simple”

By Jasper Martens, chief marketing officer at PensionBee

PensionBee

Mention the word pension to most people and “too complicated” is often the first response. Keeping on top of your pension savings often requires you to read through lots of paperwork full of jargon. So how do you know what you’ve saved and how much you need to save to reach your retirement goal? And with Britons switching jobs now morethan ever, how do you keep track of your old pension pots? This is where we can help.

When our CEO Romi Savova wanted to switch pension provider she was tripped up by complicated processes, despite working in financial services as an investment banker at the time. The experience convinced her that pensions could be made simple with technology and the industry needed to change, so in 2014 she took the plunge and swapped her City career to start PensionBee, which allows people to regain control of their own retirement savings.

Five years on and over 180,000 customers are now using PensionBee to consolidate their old pensions, and save for a better retirement. We have won numerous awards for our product innovation and diversity in an old-fashioned industry. We don’t guess what our customers want, we ask them, which is why our entire product roadmap is driven by customer feedback. We’ve received excellent reviews on customer satisfaction platforms such as Trustpilot and Boring Money.

How does PensionBee work?

When you sign up to PensionBee online or through our app, you just need to provide some basic details of your old pension provider, your policy number and the name of the employer you worked for. The minimum we need is your old employer’s name and your National Insurance number to get started.

Once you’ve added all your information, we’ll track them down and transfer your old pensions to your new PensionBee plan. We accept most old Personal Pensions and even more complicated pension products. The whole sign-up process takes just minutes.

Some pension providers have archaic systems and procedures and it can be tricky to get your money out of them. If that happens, a dedicated account manager, or 'BeeKeeper', will be on hand to guide you through the process. Your BeeKeeper will also let you know if they find any exit fees or special benefits that you could lose in your transfer. In this case, you'll have the choice to cancel the transfer.

Total visibility and ease of planning
With PensionBee, you can set up one-off or regular contributions in just a few clicks, and the retirement calculator will give you insight on how much you need to save to achieve your retirement goal. You'll get a live pension balance and you can track the performance of your pension anytime, anywhere, on any device.

We are the first pension provider to utilise Open APIs in pensions. Using this ground-breaking technology, customers can see their live pension balance displayed alongside their live current account balance, helping them to see their complete financial position. To make this integration possible we have teamed up with several fintech innovators including some of the UK's most popular money management apps such as Yolt, Starling Bank, Moneyhub, Money Dashboard and Emma.

For more information on how PensionBee can make your pension simple, visit www.pensionbee.com or download our app to get started.

Self-Invested Personal Pensions and Lifetime ISAs

What is a SIPP?
A Self Invested Personal Pension (SIPP) is a private pension that, unlike traditional workplace or private personal pensions, gives you full control over where and how the money inside it is invested.

Back in the old days SIPPs were really only for rich people with financial advisers that could open and run them, with the main attraction being that savers could hold commercial property inside them.

Today the latter remains a key attraction, however the former has thankfully been relegated to the past. The spread of the internet contributed to the birth of the low cost, or 'DIY' SIPP, which has opened out self-directed pension saving to everyone – even you!

You can hold lots of things in a SIPP aside from office buildings; from open-ended funds, (aka unit trust or OEICs), to investment trusts, exchange traded funds (ETFs), individual stocks and shares, government and corporate bonds and plain old cash.

Tax 'n' stuff
As with all pensions, investments inside a SIPP are not taxed while you are saving and you receive income tax relief on contributions: 20 per cent for basic rate, 40 per cent for higher rate and 45 per cent for additional rate tax payers.

Just like a workplace pension you can contribute up to £40,000 per year tax-free into a SIPP, or £3,600 if you are unemployed. SIPP providers claim the minimum 20 per cent tax relief from the government for you, while higher and additional rate earners claim the rest through their annual tax returns.

You can access a SIPP – like any pension – from the age of 55, at which time you can take a 25 per cent tax-free lump sum. After that you'll pay tax on withdrawals if they push you over the annual tax-free allowance (currently £12,500 for most).

Is a SIPP right for me?

Not everyone has access to a workplace pension. For freelancers and sole traders SIPPs are a great way to save for your retirement while making sure you are still getting some free money in the form of tax relief from the government – this is especially true for additional and higher rate tax payers (basic rate payers, check out the LISA, below).

SIPPs are also a great choice for the Good investor as – as mentioned above – you can decide EXACTLY what goes inside one. Don't want any fossil fuel companies? Done. Not keen on miners and other notorious human rights abusers? No problemo. Not a fan of government policy so you'd rather not lend them money via government bonds? Sure. With a SIPP, it really is up to you where you put your pension savings.

Introducing... LISA!

The newly introduced Liftetime ISA, or LISA, is basically the same as a SIPP: or same, same, but different. Just like a SIPP, with a LISA you can choose exactly what you invest in – total control. Unlike a SIPP, though, you can only save up to £4,000 per year into one.

Introduced in 2017, the LISA is an add-on to the ISA stable that allows savers to use it to fund their first home, or for retirement. As a leg up in either department, the treasury adds a 25 per cent annual bonus to savings – as long as the funds are used ONLY for a first home or for retirement.

The 25 per cent top up means that basic rate taxpayers effectively get the same amount of money back from the government via a LISA as if they were claiming back tax for £4,000 of savings inside a SIPP, or any kind of pension.

However, you do have to wait five years longer to access your LISA pot than with the personal pension or SIPP: so that's 60, rather than 55 (you can technically withdraw money whenever you like from the LISA, but you will lose the bonus – and more – unless the money is used to buy your first home).

On the plus side, the money inside the LISA remains TAX-FREE throughout your retirement. That's right: while pension savers pay tax on the way out, LISA savers don't.

This makes a LISA the best option for anyone not in an employee pension scheme (like a freelancer or self employed person) that is a basic rate taxpayer and saving £4,000 or less for their retirement each year.

LISAs, like SIPPS, are also PERFECT for Good investors who aren't big fans of their employer scheme, but who want the free money. Those investors could contribute up to what their employer will match in their employer scheme and then use a LISA to invest the rest in Good funds.

How do I open one?

These days you can open a SIPP at the click of a button with a number of low cost online fund platforms, five of which we list below. Options for a LISA are MUCH more limited. We have included the two platforms that offer the LISA and also allow investors to put sustainable funds inside: AJ Bell YouInvest and Hargreaves Lansdown.

For most of us, cost should be the main concern when considering a SIPP or LISA provider. This is especially the case if you aren't saving that much each year. As a general rule of thumb, savers with less cash should stick to a provider that charges a percentage based fee, rather than one that has fixed fees. Vice versa for those with more saving power.

Aside from annual charges, you should also closely examine a SIPP provider's transfer fees (i.e. what it charges to bring a SIPP in and take it out again), fees to buy and sell (dealing fees) as well as hold funds and shares, plus the fees it charges you to withdraw (drawdown) your pension when you retire.

5 SIPP and LISA providers reviewed

As a guide, we have worked out how much it would cost to hold a pension of £60,000 with five SIPP providers below – £60,000 being the estimated average pension pot size for Britons aged 40 to 60.

Do note though – as we have mentioned above – that our assessment would change for portfolios markedly smaller or bigger than £60,000.

To test each platform's range of Good funds, we also found a range of 54 sustainable funds on industry tool www.fundecomarket.co.uk, all of which are available to private investors, and asked each provider how many they offered.

Just as we have throughout the guide, taking both the cost and fund range into account, we have given each provider a gold, plain or broken egg, depending.

AJ Bell YouInvest

SIPP or LISA?: Both
Annual fees:
- SIPP: No annual fee but 0.25% custody charge on value of investments* , plus extra for buying and selling investments (dealing fee), transfers, withdrawals etc. **See here**
- LISA: No annual fee but 0.25% custody charge on value of investments plus extra for buying investments. See here.
Investments: Investment funds, company shares, trusts, exchange traded funds (ETFs), bonds

AJ Bell YouInvest is a great place to start with investment platforms, and is one of the very few to offer the LISA. The site is easy to navigate and has nice guides and articles. Importantly, it is one of the more competitively priced platforms and good for the lower value investor. Within its large range of funds you will find a good selection of sustainable options. But you will need to know what you are looking for.

AJ Bell offered 42 out of 54 of our sustainable fund selection.

*This is a complex fee that depends on what and how much you hold.
See: https://www.youinvest.co.uk/sites/default/files/AJBYI_SIPP_charges.pdf

Barclays Smart Investor

SIPP or LISA?: SIPP only
Annual fees: £150 + 0.2% charged on the value of investments in funds and 0.1% on other investments and transfers, plus dealing fees and more. [See here]
Investments: Investment funds, company shares, trusts, ETFs, bonds

Barclays Smart Investor is a pricey SIPP choice, suited best to those with pension pots of £100,000 or more (due to fixed fees). It is also not the easiest of sites to navigate. However, it does boast a whole section on impact investing, including explainers and lists of funds under different themes such as 'social' and 'environmental'.

Barclays Smart Investor offered 43 out of 54 of our sustainable fund selection.

Charles Stanley Direct [2]

SIPP or LISA?: SIPP only
Annual fees: £125 admin fee (waived if your pension is more than £30,000) plus 0.35% on value of investments plus the usual extras. No dealing fee for funds, though. [See here]
Investments: Company shares, investment funds, trusts, ETFs, bonds

Charles Stanley has a better-than-average selection of sustainable funds available on it – offering the highest number of our selection at 50 out of 54 funds. Its website is not as user friendly as some, but it does list the top ten holdings for each fund in a colourful chart – a nice bonus.

Charles Stanley offered 50 out of 54 of our sustainable fund selection.

[2]Note that this is ONLY if your pension pot is bigger than £30,000, otherwise the annual administration charge applies and Charles Stanley becomes SUPER expensive.

Fidelity Personal Investing

SIPP or LISA?: SIPP only
Annual fees: Service fee of 0.35%[3] and dealing fee for shares, but none for funds and no transfer fees or fees once you start withdrawing your pension. **See here**
Investments: Company shares, investment funds, trusts, ETFs

A global investment giant, Fidelity has over 1 million clients in the UK alone. Our favourite feature on the Personal Investing site is the ability to search funds by the 'socially responsible' tag, which yields over 200 results. Additionally, you can view a list of the top 10 transacted environmental, social and governance (ESG) funds.

Fidelity Personal Investing offered 44 out of 54 of our sustainable fund selection.

[3]Again this is based on a portfolio of £60,000. As Fidelity charges a fixed percentage no matter how much or what you have (others like AJ Bell and HL discount at higher levels), it actually gets more expensive the more you hold.

Hargreaves Lansdown

SIPP or LISA?: Both
Annual fees:
SIPP: 0.45% plus share dealing, transfer and closure fees. No fund dealing fees or fees to withdraw your pension. **See here**
LISA: 0.45% plus share dealing, transfer and closure fees. **See here**
Investments: Company shares, investment funds, trusts, ETFs, bonds

Hargreaves Lansdown, or HL, is the biggest platform in the UK for private investors and only one of two that offers the LISA unrestricted. It is also one of the most expensive, however, with an annual fee of 0.45 per cent for portfolios up to £250,000 for both SIPPs and LISAs. In the fund research section you'll see an 'ethical sector' and HL's explainers on sustainable investing terminology are certainly worth a read.

HL offers 47 out of 54 of our sustainable fund selection.

How to choose funds for your SIPP or LISA

So you've decided that you want to take control of your pension pot, you've weighed up the pros and cons of a SIPP versus and a LISA and you've settled on your provider. Congratulations: now you're on to the fun part: choosing your funds!

If you're not used to poring through funds factsheets, this might seem like a daunting task. So before you even start looking at recommended fund lists it will help to get back to basics. Ask yourself the following questions:

1. What do I care about?

Have a think about the issues that are closest to your heart. This might be climate change, in which case you may want to pick a fund or funds that invest in renewable energy. Perhaps clean technology is your jam, or forestry. Thankfully, in today's sustainable investment universe there is something for everyone.

The most important thing is to find a fund and a manager that is investing the way you want. Read the literature on their website and ask yourself: are they transparent in their process? Is that process clear and easy to understand? Is it for the long term? Think of it like dating, but for your money.

2. What don't I want to invest in?

While this is closely related to the above, it may also help to establish some firm red lines. Are there any companies, industries or even countries that you absolutely don't want to get hold of your money? If there are, then this will help you to further narrow your search.

3. How soon do I need my money back?

This is a really important question, as it will help you decide how much risk to take. As a general rule of thumb, the longer you have, the more risk you can take as market tumbles – even big ones like 2008 – all come out in the wash over 10, or even better 20 or 30 years.

Lower risk funds are ones that invest across sectors in developed markets like the US or UK, while higher risk funds are ones that invest in developing countries like India, or in single sectors like solar energy or robotics. As in life, in investment the more risk you take the higher the potential reward.

Funds for tomorrow, today: The Pictet Range

Pensions are one of the best areas for truly long term investing. If you have 20 or more years before you retire, you can think about the world of tomorrow, what it might need and – perhaps – put your money to work making that happen.

Our guide sponsor, Pictet Asset Management, runs some pretty forward thinking funds. Its thematic range includes strategies investing in everything from sustainable forestry, to clean water supply, to smart cities.

Below are eight that leading sustainable fund analyst 3d Investing believes are all contributing to shaping a stronger, more sustainable future world:

Pictet Clean Energy

This fund focusses on companies in three key areas: energy efficiency, low-carbon energy and renewables.

Pictet Emerging Markets Sustainable Equities

The world is changing and emerging markets are taking the lead – including on sustainability issues.

Pictet European Sustainable Equities

Big companies do Good stuff too. This fund invests in mega European companies leading on environmental, social and governance (ESG) issues.

Pictet Global Environmental Opportunities

This fund invests in firms helping to solve environmental challenges, from safeguarding natural resources to increasing access to controlling pollution.

Pictet Global Sustainable Credit

Lends money to companies addressing sustainability challenges. Subsequently, it has significant exposure to fossil fuel firms – who have big challenges.

Pictet Smart City

Over half of the world's population now lives in cities. Pictet Smart City invests in companies helping to find smarter solutions to meet the needs of residents.

Pictet Timber

Pictet Timber is the only fund available to UK investors interested in sustainable forestry and is highly rated by 3d thanks to its comprehensive impact reporting.

Pictet Water

This fund targets companies helping to solve our most important challenge: water. It has a focus on supply, technology and environmental services.

Top sustainable funds for your pension

In collaboration with 3d Investing, every six months we publish the Good Investment Review, which lists some of the highest rated sustainable and ethical investment funds on the UK market today. Below we list a few picks to inspire you. For the full range download the latest review at www.good-with-money.com

UK companies

Liontrust Sustainable Future UK Growth

10 year return: 244%*

5 year return: 51.2%

As already mentioned, the Liontrust Sustainable Future fund range is the most established in the industry, and consistently outperforms. UK Growth invests in firms shaping the sustainable economy, with zero exposure to fossil fuels.

UK debt

Threadneedle UK Social Bond

10 year return: n/a

5 year return: 25.2%

This fund – spearheaded by founders of The Big Issue – will not shoot the lights out in terms of performance. What it will do is provide a steady stream of income while investing in some of the most impactful companies in the UK.

Mixed asset

Thesis Climate Assets

10 year return: n/a

5 year return: 47%

Thesis Climate Assets invests in the shares and debt of companies all over the world. It has a focus on investment opportunities arising from the convergence of climate change, resource scarcity and population shifts.

Global companies

BMO Responsible Global Equity

10 year return: 260%

5 year return: 87.3%

Formerly F&C Responsible Global Equity, this is one of the oldest ethical funds in the sector. It is a big fund that invests in big companies across the world, but does not currently invest in fossil fuels.

Emerging markets

The Pacific Assets Trust

10 year return: 347.1%
5 year return: 106.1%

Investment trusts almost always outperform funds over the long term. The Pacific Assets Trust, established in 1985, is no exception. Plus 3d gives it 3 stars for investing in emerging sustainable leaders. Perfect.

Renewable energy

Greencoat UK Wind Trust

10 year return: n/a
5 year return: 73.1%

Greencoat UK Wind is one of the lowest risk ways to get into investing in renewable energy (though not cheap). Established in 2013, this £1.6 billion fund invests in wind farms across the UK.

Specialist sustainable solutions

Pictet Water

10 year return: 245.7%
5 year return: 71.6%

We wanted to give Pictet Water a nod again thanks to its strong performance. Over both ten and five years the fund has ranked within the top 10 of its sector – which is pretty impressive when over 10 years that is 291 funds and 481 funds over five years.

*All return data is sourced from FE Analytics and is to 31 March 2019. It also excludes fund fees, as well as those charged by your SIPP or LISA provider.

Will I retire in style?

Throughout this guide we have run numbers to show what you might expect to make from saving into a pension. When it comes to SIPPs and LISAs, though, things are a little different.

This is not least because, as we have demonstrated above, not only do returns from different funds in different sectors vary widely over different periods, so do provider charges, and all of these things will have a huge influence on your final return.

As such, it really isn't possible to give anything like an accurate idea of what you might retire on by investing in a SIPP or LISA. If the returns outlined above are anything to go by, though, it will likely be pretty decent – even after all the fees and charges. Plus, you will be investing in EXACTLY what you want to invest in, and avoiding what you don't.

“Going back to the future”

By Hans Peter Portner, head of thematic equity at Pictet Asset Management

PICTET Asset Management

In the mid-1990s, while working for another asset management company early in my career, I was given the responsibility of managing the global equity segment of a pension fund. Until then I had only run single country portfolios so it was an exciting opportunity for me.

Among the stocks I inherited was a new technology hardware manufacturer. It was increasing sales rapidly but I couldn’t really understand the business or its long-term appeal. After some months of strong share price performance I decided to take profits on the stock and sold it.

That, unfortunately, proved a little premature (to say the least). In the following five years, the company’s share price continued on a stratospheric path. While falling heavily in the dot-com bust, it ultimately emerged on the other side to become a mainstay in global equity indices.

Today, the firm boasts a market capitalisation of USD $200 billion and employs over 70,000 people. The stock I unwisely sold was Cisco Systems, a behemoth of the Internet age.

From this I learnt that when it comes to investing in global equities, it pays to be a specialist. By accumulating expertise in a specific sector, investment managers are, I believe, better positioned to deliver clients repeatable outperformance over the long term.

I also learnt that the world was changing faster than ever and that being on the wrong side of change could have massive repercussions for investment portfolios. More specifically, I discovered that I should view the world through the prism of ‘megatrends’ - the technological, environmental and societal forces of change that were giving rise to compelling investment opportunities in specific industries.

Knowing a lot about little

It is by applying these two lessons over more than two decades that my colleagues and I at Pictet have been able to build unrivalled expertise in thematic equities. We now manage over USD $40 billion across a range of funds, each one designed to take advantage of the long-term trends transforming the world.

We concentrate investments in specialist companies whose growth is tied to the evolution of a particular theme, which we measure with our proprietary gauge of thematic “purity”.

Our investment managers are able to identify such distinctive investments because they are specialists in the themes they manage. We like to say they “know a lot about little”, combining the role of both analyst and portfolio manager.

Portfolios for long-term investors

Over the past several years, we have developed two multiple-theme strategies: Pictet Global Thematic Opportunities (GTO) and Pictet Global Environmental Opportunities (GEO).

The first of these, GTO, invests in the best ideas from across all of our thematic strategies. The second, GEO, invests in the shares of companies that keep their emissions within nine sustainable planetary boundaries and are making an active contribution to safeguarding the world’s natural resources. By measuring our own portfolio against these boundaries we are also able to gauge our own environmental impact.

Both strategies are genuinely active, with a high conviction in their approach. Our entire thematic process is built on identifying the Ciscos of the future, and we remain confident that our approach leaves us well placed to outperform the main global equity indices over the long term.

Sponsor profiles

NEST

NEST was set up by the UK government to help deliver auto enrolment and ensure every employer had a pension scheme available to enrol their eligible workers. It is a not-for-profit pension scheme that is committed to helping millions of people – particularly those on low income – enjoy a better retirement.

Since it launched in 2010, NEST had grown into the largest UK master trust with 8 million members and more than £6.5 billion of assets under management. It's forecasted that, by the late 2020s, one third of the working population will have a pension with NEST.

NEST offers savers an award-winning investment strategy through a diversified portfolio and is a committed responsible investor.

PensionBee

PensionBee is an award-winning online pension provider that brings old pensions into one plan in a straightforward way. Customers can manage their pension like they manage their bank account; they can look at their live balance, make contributions and withdrawals online and use a smart calculator to plan how they save. PensionBee does this by using technology every step of the way.

By focusing on ease, full transparency on fees and jargon-free communication, PensionBee has been able to demystify pensions and appeal to people across all ages – whether in their 30s, 40s or early 50s – who should be saving for retirement, but who may have been previously put off by complicated products.

PICTET
1805
Asset Management

Pictet Asset Management

The Pictet Group is a partnership of eight owner managers, with principles of succession and transmission of ownership that have remained unchanged since foundation in 1805.

It offers only wealth management, asset management and related asset services. The Group does not engage in investment banking, nor does it extend commercial loans. With more than £407 billion in assets under management or custody at 31 March 2019, Pictet is today one of the leading Europe-based independent wealth and asset managers.

The firm says it is convinced that Environmental, Social and Governance (ESG) considerations can help it make better long-term investment decisions for its clients.

For decades, sustainability has been central to Pictet's way of thinking. Since the Pictet Group was founded, it has aimed to ensure the prosperity of its clients over the long term. In doing so, it has instinctively considered the interests of future generations.

Pictet Asset Management believes in responsible capitalism and takes an enlarged view of the economy and its interactions with civil society and the natural environment.

Consistent with its fiduciary duty to act in the best interests of clients and its adherence to the UN Principles for Responsible Investment, Pictet is committed to integrating material ESG criteria in its investment processes and ownership practices with a view to enhance returns and/or mitigate risks.

Contact details

Want to get in touch with us, or any of the providers in this guide?
See below!

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NEST

The best way to get in touch with NEST is to send a secure message from your online account. Registering your account is quick and easy. You can find useful information on the website, where you can also chat online using a live help service.

Otherwise visit https://www.nestpensions.org.uk/ or call 0300 020 0090. Lines are open from 8am to 8pm Monday to Sunday and 10am to 4pm on bank holidays.

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