

now: annuity destination fund

30 June 2025

Overview

The objective of this fund is to deliver returns that change broadly in line with annuity prices for members approaching their planned retirement age. The fund typically invests in bonds, including investment grade bonds, gilts and short-term bonds.

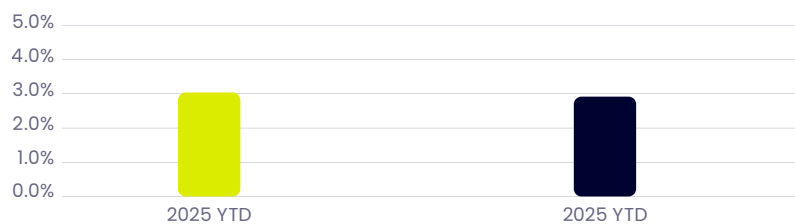
The integration of responsible investment considerations seeks to manage investment risk with the aim of enhancing long-term portfolio returns, which is in the best interests of the members and beneficiaries of the fund.

Performance to quarter end (%)

	3m	Since inception (p.a.)
Fund ¹	2.8%	-0.3%
Return objective ²	2.0%	4.3%

Annual performance (%)

● Fund ● Return Objective



Calendar year	2025 YTD
Fund ¹	3.0%
Return objective ²	2.9%

Annualised volatility

Volatility	3 year volatility	5 year volatility
	N/A	N/A

Key facts

Fund size:

£0.05 million

Fund launch date:

1 October 2024

Base currency:

GBP

Unit price:

99.7142p

Valuation and dealing frequency:

Daily

Pricing basis:

Single price

Objectives

Return objective

To deliver a return in excess of inflation, as measured using the Consumer Price Index (CPI), of between 1-1.25% per annum (p.a.) or more over the long-term, before the asset based charge.

Risk objective

Over longer time periods, for the volatility of the Fund (measured using rolling three years) to be within the range of 4% p.a. to 5.5% p.a.

Responsible Investment

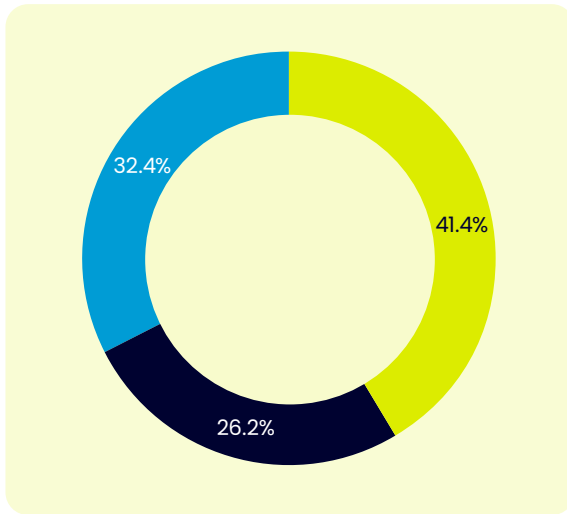
To achieve:

- Net Zero carbon emissions by 2050, with a 50% emission reduction by 2030, based on 2019 levels.
- At least 75% of the Fund value in investments which support the Trustee's responsible investment beliefs as set out in the Statement of Investment Principles.

¹ Performance to 12 May 2025 is after the asset based charge and performance post 12 May 2025 is before the asset-based charge.

² Return objective returns are provided by Cardano.

Asset allocation



- Sterling investment grade corporate bonds
- Short-dated sterling investment grade bonds
- UK Treasury Bills

Changes to the asset allocation or other aspects of the fund may be made by the investment manager and/or the Trustee without prior notice.

Risk reward indicator



The risk reward indicator gives an indication of the potential level of risk and reward in the future, based on the asset classes in which the fund invests. The risk reward indicator is based on **now:pensions'** investment manager's assessment of investment risk and may change in the future. They are not based on any industry standard and are intended to be used as a guide only to compare **now:pensions'** investment funds.

Risk warnings

This information is not investment, legal, pensions or tax advice. This factsheet has been produced for information purposes only (and may be subject to change without notice) to provide you with fund information and is not designed to provide advice on the suitability of the investment for your personal financial situation. If you have any questions regarding its contents, you should seek regulated financial advice. We don't accept liability for any reliance on this document. Information from external sources is considered reliable but there is no guarantee as to its accuracy or completeness.

The value of investments and income from them may fall as well as rise and investors may not get back the original amount invested. Past performance is not a reliable indicator of future results. There is no guarantee that the investment objectives of the fund will be achieved. The performance of the fund is not guaranteed, and you may experience losses.

Glossary of risk types

Concentration risk: This is the risk of underperformance due to an investment having an overly large adverse impact on the return. This risk is managed by the investment manager (Cardano Risk Management Limited) who operates to guidelines that ensure the assets are spread across a range of investments.

Counterparty risk: This is the risk of loss caused by the portfolio trading with a financial institution that defaults on its obligations. This risk is managed by the investment manager through the selection process of the financial institutions the Trustee contracts with and regular monitoring of the exposures.

Credit risk: This is the risk of loss arising from the default on expected cashflows. This risk is managed by the investment manager who operates within guidelines which set out diversification and credit limits.

Liquidity risk: This is the risk that there is a shortfall in easily accessible assets to meet the immediate cashflow needs. This risk is managed by the investment manager who operates to guidelines which require a sufficient level of liquid assets in each fund to provide for members' likely withdrawals, taking in account flows into the Trust and monitoring the requirements for derivative positions.

Operational risks: This is the risk of loss caused because of, but not limited to, fraud, acts of negligence or lack of suitable processes. It is managed through agreements with each service provider which are monitored regularly by the Trustee. Before the appointment of any new service provider, due diligence is undertaken. Furthermore the Trust Manager, together with the Trustee, undertakes an annual review of all key suppliers. The key suppliers with operational risk are the trust's custodian and fund administrator, the investment manager, The Trust Manager and the master trust administrator (Tata Consultancy Services Limited).

Information correct at October 2025.

NP/D0367/10/2025.

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