

Keeping it Brief

Investment considerations

This explains some of the basic investment principles you should think about in relation to your pension pot.

The money in your pension pot must be invested, but you can choose where to invest and how much risk you take. The aim of investing is to help the value of your pension pot grow in addition to the contributions paid in.

Investments will go up and down in value, but the aim is for growth over the longer term to at least match, or beat, the rate of inflation.

Default investment strategy

A workplace pension scheme provided by your employer has a default investment strategy in which your contributions are invested when you are first enrolled into the plan. The default investment is a ready-made option for members who do not wish to make an investment choice. It is designed to consider the needs of a wide range of pension investors.

It is important to understand the default strategy to help make sure it's suitable for you and decide if you should stay in this or choose from any other investment options available that could be more suitable.

Lifestyling

Many default strategies include lifestyling. This means that as you get closer to your selected retirement age, lifestyling automatically and gradually starts to move some of your money into lower risk funds designed to prepare your pension pot for how you might want to take your pension benefits. How and when you plan to access your pension pot may affect your investment choice.

Information on the options available when accessing your pot can be found in our **'Keeping it brief... Accessing your pension pot'**.

Your pension provider will also have further information on the lifestyling strategies and any other investment options available.

Investment risk

Investments can go down in value and you may get back less than the contributions paid in.

It is important that you are comfortable with the level of risk associated with any investment you make. Investment funds normally have fact sheets that explain the level of risk that is taken. Your pension provider will usually have tools to help you understand your attitude to risk and help make sure an investment is suitable for you.

You can also find further information here:

www.moneyhelper.org.uk/en/savings/investing/investing-beginners-guide.

Types of investment

Your pension provider may have many investment funds to select from, and a common feature of all these funds is that they will be made up of either one, or a mixture of, the four main types of asset classes. These are: equities, property, bonds and cash. Further information can be found at the link provided above.

You can also find information on the investments and asset classes from your pension provider to help you with any investment decisions.

Reviewing your investment

You should review your investment choice on a regular basis, to make sure it is suitable for you. This should include thinking about how and when you are planning to access your pension pot. It's important to look at all the details of the investment you are selecting to make sure it is suitable for you, and to remember that past performance is not a guide to future performance

Providers usually allow you to change, or switch, your investment funds without charge.

If you are unsure which funds to select for your pension, you may wish to seek financial advice. You should be aware that an adviser will normally charge for using their services. If this is something you would like to discuss, please contact SecondSight at enquiries@second-sight.com.

Please note:

This note provides general information only and should not be viewed as financial advice. If you are unsure how any of this information affects you, you should seek financial advice.

It is based on our understanding of tax regulations for the 2026/27 tax year which may change in the future.

A pension is a long-term investment. The fund value may fluctuate and can go down, which would have an impact on the level of pension benefits available.

Pension savings are at risk of being eroded by inflation.

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