

Case study

National Employment Savings Trust (NEST)

Integrated solution fosters growth and adoption for low-cost pension provider.

Rapid growth, lethargic system

NEST is a pension provider set up by the UK government to make sure that all businesses have access to a high-quality workplace pension program for their employees. It is currently the largest workplace pension provider in the UK, with more than 6.8 million members and £3.2 billion of assets under management.

NEST's assets under management will grow rapidly in the next few years as minimum contributions under the auto enrollment legislation rise. In preparation for this future scale, NEST has been reviewing its systems to ensure that it can optimize efficiency and reduce costs.

"Key to our business is keeping operational costs low as we aim to be the go-to pension scheme for medium and small businesses," said Jiwei Dong, Head of Market Risk and Asset Allocation at NEST. The pension provider is mainly used by workers who are automatically enrolled in its funds under the government mandate.

"But we also want to top the leaderboard of workplace pension schemes with regard to investment and also with regard to our investment principles, which integrate environmental, social and governance (ESG) concerns into the investment process – a critical part of our approach."

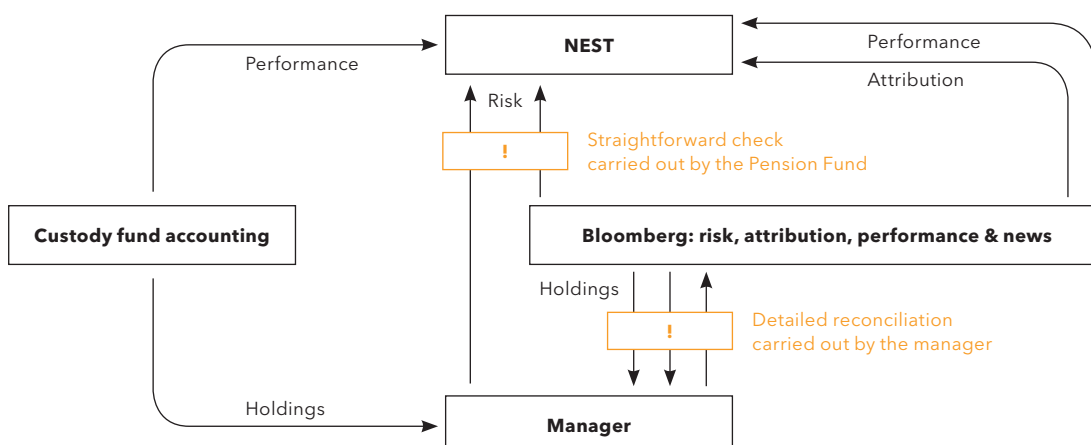
In five years, NEST has gone from naught to more than £3 billion under management, but its workflow needed optimization to handle such volume. The pension firm was using one application for risk management, another for data collection and analysis and another for monitoring portfolios. Managing these multiple technology systems and information sources was becoming increasingly costly.

"To keep meeting our targets, continue to scale our business and evolve our investment strategy against an increasingly uncertain market backdrop, we needed to consolidate our resources," Dong said.

Bloomberg's client relationship team worked with NEST to implement the Portfolio and Risk Analytics (PORT) solution and educate the NEST investment team on how to get the most out of the product.

"Bloomberg wasn't a new procurement for us, because we had already been using the Terminal since 2009 for market news, insight and research and had a good relationship with them. So, it made sense to explore deeper solutions within Bloomberg. We decided on implementing their PORT solution to streamline the whole investment management workflow."

Proposed model



Primed for expansion

Before PORT, sharing of this data was time-consuming and involved spreadsheet exports, an email chain and very little real-time information.

By implementing PORT, a solution that is included in the Bloomberg Terminal® at no extra cost, NEST is confident that it will be able to meet its objective of growing its offering while accessing better investment solutions. PORT will help enable greater transparency and insight into the historical, present and future risk/return profile of the portfolios it has under management.

In short, PORT has primed NEST to benefit from a simplified workflow, greater access to critical data and analytics and cost-efficiency.

"It's early days but having all the different functions integrated into one solution is important for the way we operate and what our investment team can achieve without fiddling around with different systems," said Dong.

"One key advantage is that the fund managers we work with can now directly share their holdings with us in real time."

Generating opportunities for an even smoother process

Dong now hopes to focus on investing in more Bloomberg Terminals for NEST and getting more training for the investment team so that it becomes the main tool to conduct all tasks.

"The Bloomberg Terminal provides good asset-class coverage, market intelligence, company news and analytical tools – and with the integration of PORT, you can actually see how the news is impacting your portfolio in real time."

Take the next step.

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Singapore
+65 6212 1000
Sydney
+61 2 9777 8600
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