



**ii SIPP
index**

Q1 2024

ii SIPP index: A new report from interactive investor

interactive investor, the UK's second largest investment platform for private investors, has launched a new report: **The ii SIPP (Self-invested Personal Pension) index.** In a rapidly changing and increasingly complex investment landscape, this new index will provide a barometer of how SIPP customers are investing and positioning their pension portfolios during their working life and in retirement.

Passive investing boom as female investors outperform

The data released today for Q1 2024 explores how interactive investor SIPP customers invest throughout their pension investing journey – such as in accumulation* compared to in drawdown* (see glossary).

The new SIPP Index will be a half yearly index with data from Q1 and Q3, each year.

The data is based on SIPP customers and it not necessarily reflective of other pension provision or investment trends.

Key Findings

- 1.** SIPP customers increased their holdings of passive tracker funds between Q1 2022 and Q1 2024, with 7 out of the top 10 holdings in accumulation now passive funds and 5 out of 10 in drawdown
- 2.** SIPP customers increased their weighting to ETFs, funds and other investments (including individual bonds and gilts) and reduced their allocation to investment trusts and cash between Q1 2022 to Q1 2024
- 3.** Drawdown customers have a higher exposure to investment trusts and funds and a lower weighting to cash than those in accumulation
- 4.** Funds are the biggest holding on average across SIPP portfolios in all but the oldest age group, while younger SIPP customers have a higher weighting to ETFs than older customers
- 5.** Female SIPP customers outperformed men over the last 2 years in all age categories
- 6.** Female SIPP customers have a higher weighting to investment trusts and a lower weighting to individual shares than male SIPP customers

Passive investing, ETFs, and funds

“The pension landscape is complex, but investing in your pension doesn’t need to be complicated, and our customers are increasingly favouring simple global funds and ETFs as part of their pension portfolio. This trend echoes the ongoing popularity of tracker funds with our wider customer base, as part of a balanced portfolio.”

Alice Guy, Head of Pensions and Savings
interactive investor

SIPP holdings over time



“It is interesting to see a lot of crossover in the most-popular fund choices for those in accumulation and in drawdown, with eight of the top 10 featuring on both lists. Many of these funds are growth focused, which makes sense given life expectancies are increasing – retirees need to factor in that their investments may need to continue to deliver for them for another couple of decades.

As ever, the key is to strike the right balance. We can see that drawdown investors are aiming to secure a reliable and regular income from their investments. Alliance Trust, F&C Investment Trust, and City of London are all ‘dividend heroes’ having raised payouts for more than half a century. This trio of ‘Steady Eddies’ are highly diversified, which helps to cushion the impact of the inevitable volatility that comes with investing in the stock market.”

Kyle Caldwell, Funds and Investment Education Editor
interactive investor

Top ranked holdings by value

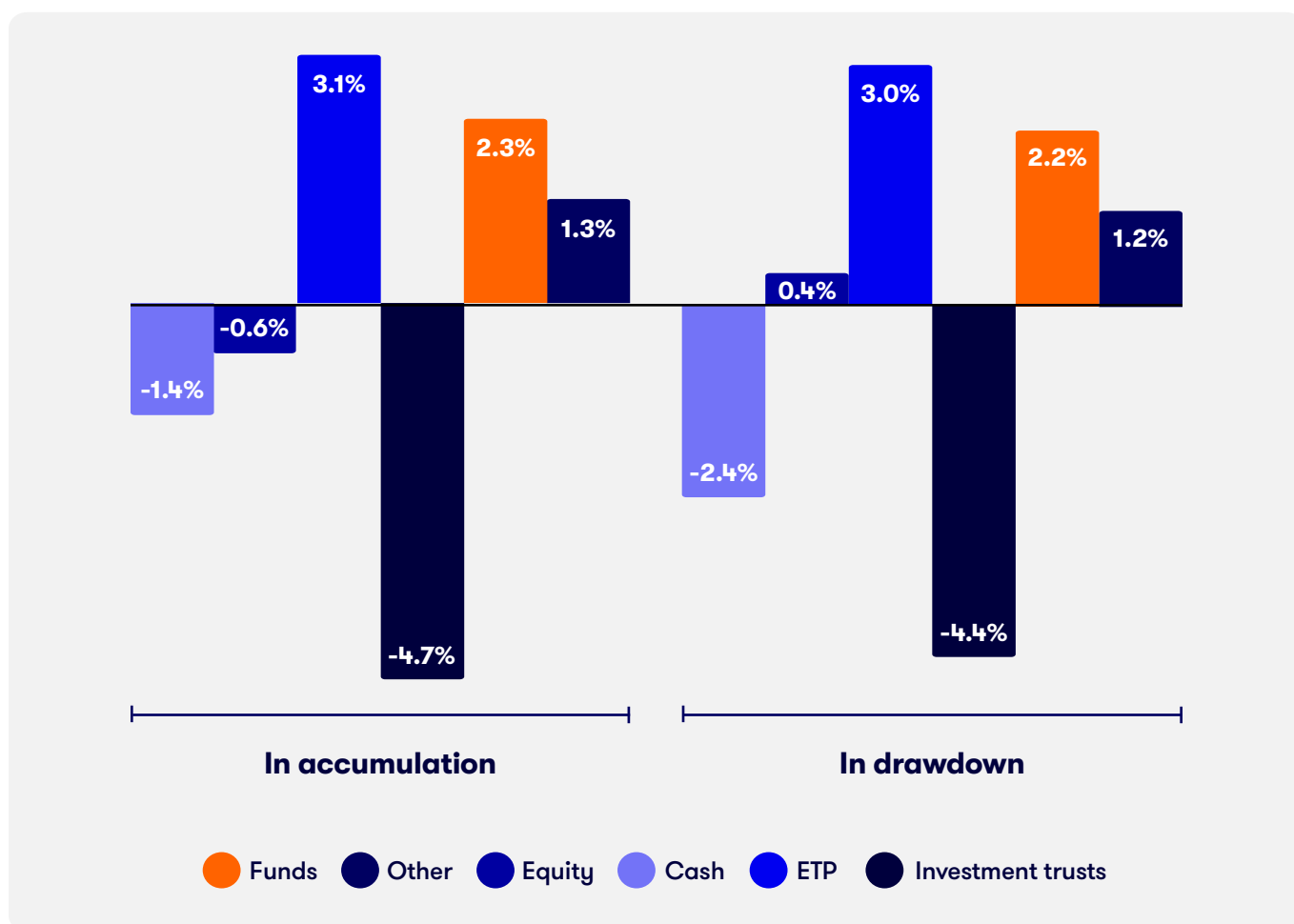
Rank	Accumulation		Drawdown	
	Q1 2022	Q1 2024	Q1 2022	Q1 2024
1	FUNDSMITH EQTY FD FUNDSMITH EQUITY FUND I ACC	FUNDSMITH EQTY FD FUNDSMITH EQUITY FUND I ACC	FUNDSMITH EQTY FD FUNDSMITH EQUITY FUND I ACC	FUNDSMITH EQTY FD FUNDSMITH EQUITY FUND I ACC
2	SCOT MORT INV TST ORD GBP0.05	VANGUARD LIFESTRAT VANGUARD LIFEST 80 % EQ ACC	SCOT MORT INV TST ORD GBP0.05	VANGUARD LIFESTRAT VANGUARD LIFEST 60 % EQ ACC
3	VANGUARD LIFESTRAT VANGUARD LIFEST 80 % EQ ACC	SCOT MORT INV TST ORD GBP0.05	VANGUARD LIFESTRAT VANGUARD LIFEST 60 % EQ ACC	SCOT MORT INV TST ORD GBP0.05
4	ALLIANCE TRUST ORD GBP0.025	VANGUARD LIFESTRAT VANGUARD LIFEST 60 % EQ ACC	ALLIANCE TRUST ORD GBP0.025	VANGUARD LIFESTRAT VANGUARD LIFEST 80 % EQ ACC
5	VANGUARD LIFESTRAT VANGUARD LIFEST 60 % EQ ACC	ALLIANCE TRUST ORD GBP0.025	VANGUARD LIFESTRAT VANGUARD LIFEST 80 % EQ ACC	ALLIANCE TRUST ORD GBP0.025
6	VANGUARD LIFESTRAT VANGUARD LIFEST 100% EQ ACC	VANGUARD LIFESTRAT VANGUARD LIFEST 100% EQ ACC	F&C INVESTMENT TST ORD GBP0.25	F&C INVESTMENT TST ORD GBP0.25
7	TESLA INC COM USD0.001	VANGUARD INV FDS FTSE DEV WLD EX UK EQ ID GB	CITY OF LONDON INV ORD GBP0.25	VANGUARD INV FDS FTSE DEV WLD EX UK EQ ID GB
8	VANGUARD INV FDS FTSE DEV WLD EX UK EQ ID GB	HSBC IDX TKR INV FTSE ALL WORLD INDEX C ACC	VANGUARD LIFESTRAT VANGUARD LIFEST 100% EQ ACC	VANGUARD LIFESTRAT VANGUARD LIFEST 100% EQ ACC
9	VANGUARD INV FDS VANGUARD US EQ IDX GBP ACC	VANGUARD INV FDS FTSE GBL ALL CAP INDEX GBP	RIT CAP PARTNERS ORD GBP1	CITY OF LONDON INV ORD GBP0.25
10	VANGUARD INV FDS FTSE GBL ALL CAP INDEX GBP	VANGUARD INV FDS VANGUARD US EQ IDX GBP ACC	SHELL PLC ORD EUR0.07	VANGUARD INV FDS VANGUARD US EQ IDX GBP ACC

“Passive funds, known as index funds or exchange-traded funds (ETFs), continue to become more and more popular. Passive funds provide a low-cost way to ‘own the world’ and offer investors exposure to exciting sectors, such as technology. For me, as well as the low fees, it is the simplicity of the approach that investors are drawn to.

While other assets such as cash and bonds are lower risk, having a healthy weighting to equities is prudent, as equities are the key piece of the jigsaw to grow wealth in real terms. Both those in accumulation and in drawdown are adopting this approach, with many opting to gain plenty of diversification through funds, both those managed by professional investors and those that passively track the up and down movements of an index.”

Kyle Caldwell, Funds and Investment Education Editor
 interactive investor

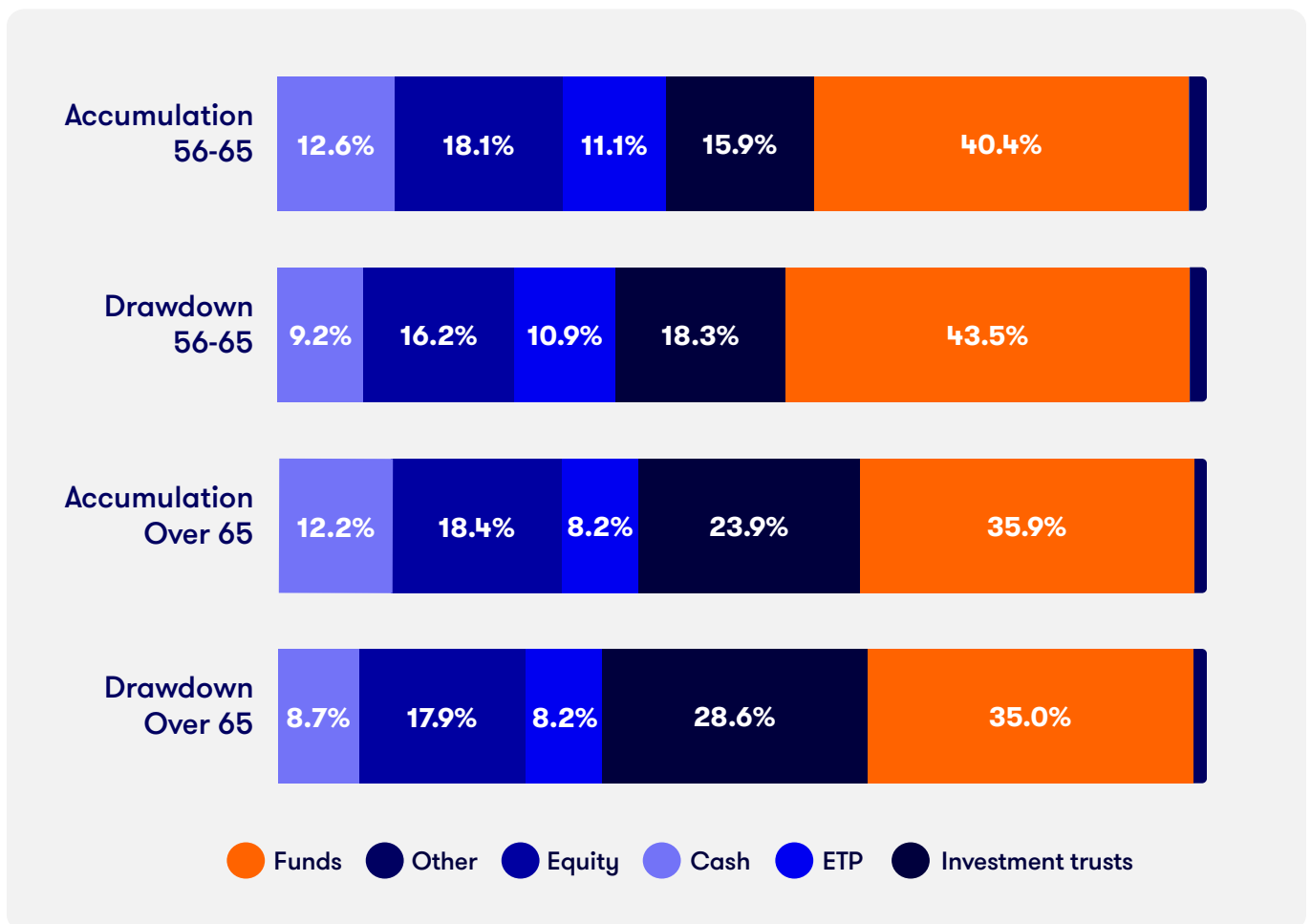
SIPP holdings change* over time: Q1 2022-Q1 2024



*Shows percentage point change between Q1 2022 and Q1 2024 - percentages calculated on whole holdings

Drawdown versus accumulation

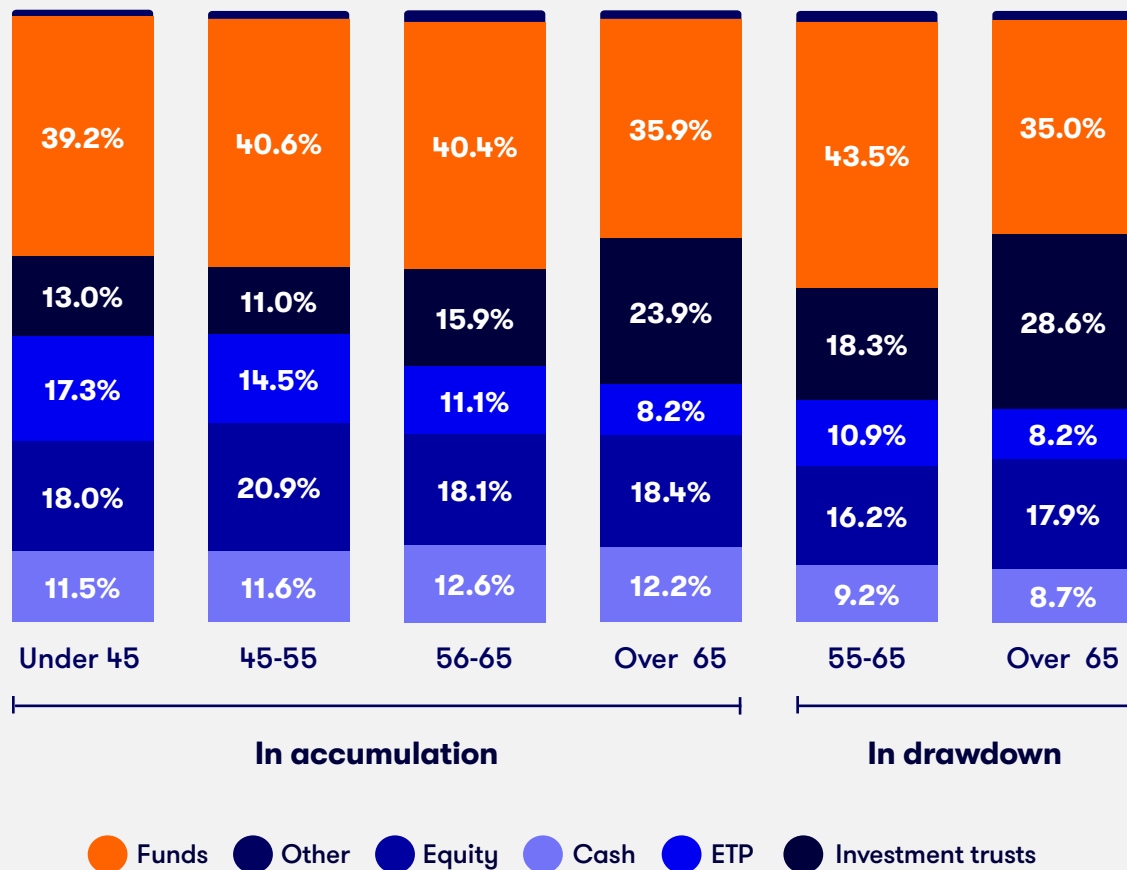
Difference in portfolios in accumulation and drawdown



“Pension savers are making gradual and subtle tweaks as they head towards retirement with those in drawdown investing more in funds and investments trusts and less in individual equities and cash than those not yet retired, perhaps opting for more simplicity in retirement.”

Alice Guy, Head of Pensions and Savings
interactive investor

SIPP holdings by age



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With more of us relying on our pension income in retirement, it's encouraging to see customers remaining invested as they get older, allowing them to continue to benefit from investment growth, which tends to beat inflation over time.

Alice Guy, Head of Pensions and Savings interactive investor

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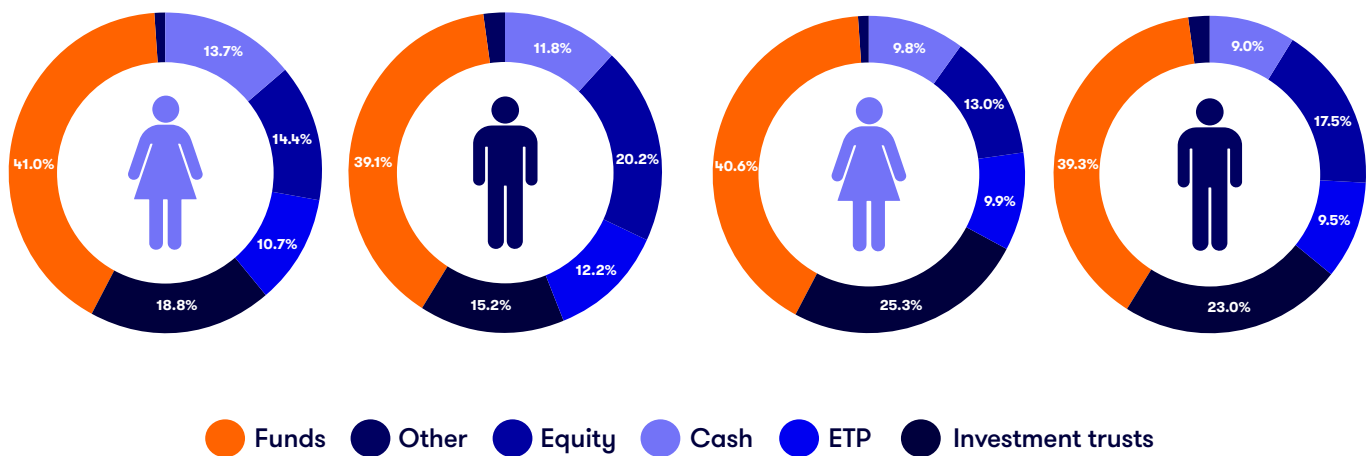
“Decumulation isn't black and white. Retiring isn't a one-off event and many who withdraw income from their pension may still be working and paying into their pension. SIPP income is only part of a broader portfolio for many customers, who may also have final salary pensions and other workplace pensions alongside their SIPP pension portfolio.”

Alice Guy, Head of Pensions and Savings interactive investor

Gender comparison

SIPP holding by gender: **Accumulation**

SIPP holding by gender: **Drawdown**



“With women’s pensions often lagging due to lower lifetime earnings, it’s great to see their pension portfolios performing so well in the last couple of years, giving them a boost, particularly with rising living costs. It’s striking that women invest significantly more in investment trusts and less in individual shares than male SIPP customers, which may have contributed to this 2-year outperformance.”

Alice Guy, Head of Pensions and Savings
interactive investor

Performance: Portfolio returns*

		3 months	6 months	12 months	24 months
In accumulation up to 55	Female	5.3%	12.0%	14.5%	11.5%
	Male	5.4%	12.0%	14.4%	10.9%
In accumulation over 55	Female	4.6%	11.0%	12.9%	9.6%
	Male	4.5%	10.7%	12.6%	8.5%
In drawdown over 55	Female	4.1%	10.3%	12.1%	8.7%
	Male	4.0%	10.3%	11.7%	8.0%

Notes to Editors

*Glossary

Accumulation

Customers who have not yet taken income from their SIPP but may have taken a tax free lump sum

Drawdown

Customers who have taken income from their SIPP

Returns

Trailing returns including dividend income

ii customer performances quoted are median values to avoid the influence of outlier performance skewing the data.

The performance is calculated using the [Time Weighted Rate of Return](#) with returns calculated before each money transaction, then the results compounded over the reporting period. The time-weighted rate of return (TWR) is a measure of the compound rate of growth in a portfolio. It eliminates the distorting effects on growth rates created by inflows and outflows of money.

Then median averages are calculated independently for each group we analysed – so that outlier performances did not skew the results.

Index performance, unless otherwise stated, is ii using Morningstar, total return in GBP, to end March 2024.

Source: interactive investor - index performance: Morningstar Total Returns (base currencies) to 31 March 2024

For further information, please contact:

Alice Guy

Head of Pensions and Savings
Interactive investor
Tel: 07729 608308

Camilla Esmund

Senior PR Manager
Interactive investor
07834 928514

About interactive investor

interactive investor (ii) is the UK's number one flat-fee investment platform, offering ISA, SIPP, Junior ISA and general investing accounts, plus leading investment content, tools, choice and service. Customers pay a flat monthly fee, even as their investments grow, meaning they keep more of their money. interactive investor is an award-winning platform and proud to be rated 'Excellent' on Trustpilot. ii is authorised and regulated by the Financial Conduct Authority and FSCS protected.

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