

Aon Managed Retirement Pathway 2034-2036

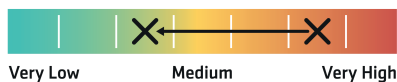
Defined contributions

Fund information

Issuing company	Aegon/Scottish Equitable plc
Inception date	26 May 2015
Benchmark	Composite for AON TDF 2034-36
Entry Fees	No
Exit Fees	No
Performance Fee	No
Additional Expenses	0.03%
Fund size	£1,708.21m
Fund type	Pension
ISIN	GB00BWFY6X54
SEDOL	BWFY6X5
Domicile	United Kingdom
Use of Income	Accumulation
Base Currency	GBP

Additional expenses within the Aon Managed Retirement Pathway Funds vary as the fund approaches its maturity date and the mix of underlying investments changes. An estimate of the maximum additional expenses incurred in any one year is 0.03%. An annual management charge will also be incurred in addition to the additional expenses shown.

Relative Risk Profile



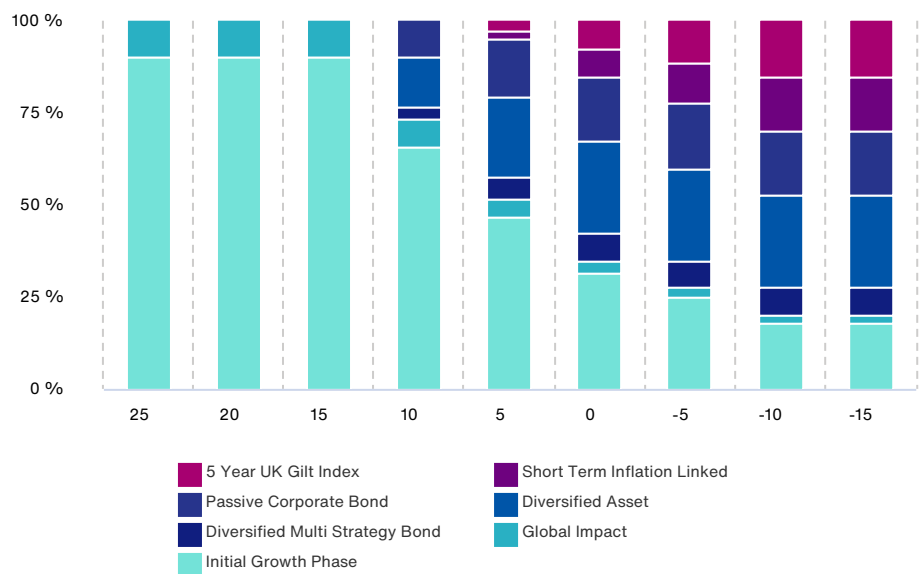
Each Aon Managed Retirement Pathway fund automatically changes its investment mix over time from higher-risk to lower-risk investments and therefore the risk rating of each fund will vary over time from 6 (High) at the beginning of the investment cycle to 3 (Medium-Low) at the maturity date of the fund.

These risk ratings are only applicable to funds available via TargetPlan. Other risk ratings apply across the rest of our fund range and they, or ratings from other providers, are not comparable. Be aware that even lower risk investments can fall in value.

Fund objective

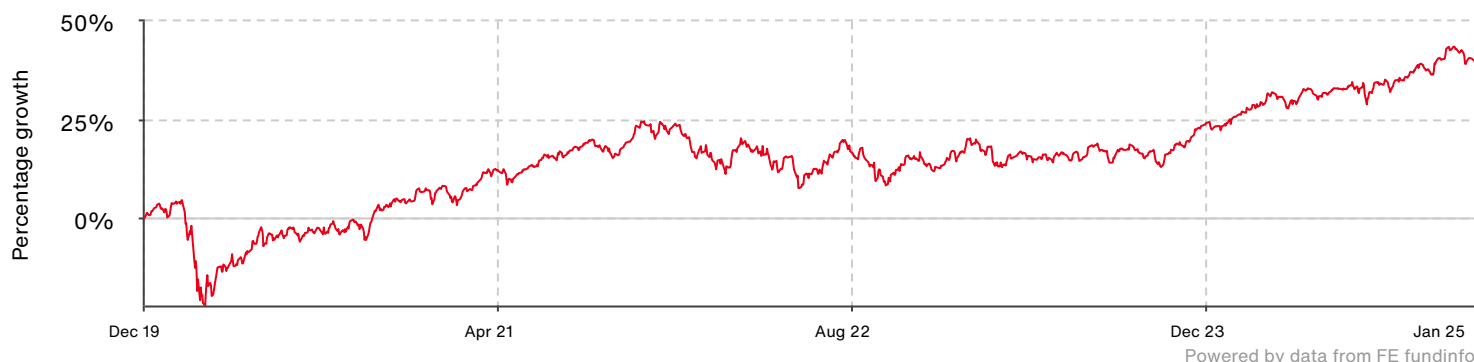
The Funds are part of a series of dynamic investment strategies. This Fund aims to maximise the potential for capital growth, and help manage the investment risks at each stage of an investor's life. The Aon Managed Retirement Pathway Funds will provide members of a company's pension scheme (investors) with a choice to invest in a single fund, from entry, through to retirement and beyond. Each Fund will automatically adjust its investment strategy as it progresses towards a target date, normally the mid-point of each of the Funds (which is assumed to be the retirement date of the members) and will continue to be managed for those members that wish to remain invested beyond this point. The Funds will invest in a portfolio of assets which can include actively and passively managed funds.

This chart shows how an investor's investment mix will change gradually as they get nearer retirement. For some funds, the investment mix continues to change after retirement - where this applies, this is shown in columns after year zero.



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Fund performance



	3 Months	YTD	1yr	3yrs	5yrs
Fund	3.2%	12.7%	12.7%	4.3%	6.9%
Benchmark	4.4%	15.2%	15.2%	6.2%	9.5%
	Dec 19 to Dec 20	Dec 20 to Dec 21	Dec 21 to Dec 22	Dec 22 to Dec 23	Dec 23 to Dec 24
Fund	4.1%	18.5%	-8.2%	9.7%	12.7%
Benchmark	10.1%	19.2%	-7.8%	12.7%	15.2%

Past performance is not a reliable guide to future performance. The value of investments and the income from them can fluctuate and are not guaranteed. Investors may not get back the full amount invested.

Source FE fundinfo. Performance shown is gross of the annual management charge but is net of additional expenses (if any) incurred within the fund. The annual management charge will reduce the performance figures shown. Performance for periods over a year is annualised (% per year).

Performance Commentary

Over the three-month period to 31 December 2024, the Fund returned 3.2% against a backdrop of positive equity and mixed bond market returns.

Global equity markets rose during the fourth quarter of 2024, largely driven by US equities, despite an increase in volatility following the US Federal Reserve's interest rate meeting in December. US equities benefited from better-than-expected economic growth and the depreciation of the pound against the US dollar, which resulted in higher returns in sterling terms. In contrast, returns were mixed in other markets; both UK and European equities fell, while Japanese equities performed well.

Government bonds fell in value over the quarter due to rising yields, driven by a gradual increase in global inflation and the expectation of fewer interest rate cuts in 2025 across most major economies. The Bank of England cut interest rates by 0.25% to 4.75% p.a., while the Federal Reserve reduced its rate twice by 0.25%, bringing interest rates down to a range of 4.25% to 4.50% p.a. Meanwhile, the European Central Bank also cut its interest rate by 0.25%, to 3.50% p.a.

Investment-grade corporate bonds also fell in value over the quarter, as rising bond yields more than offset the benefits of falling credit spreads (the difference between government and corporate bond yields) and the income return.

As the Fund approaches its target date, assets are switched out of the Aon Managed Initial Growth Phase Fund and Aon Managed Global Impact Fund and invested across a range of assets. Following the last review, we de-risked the Fund in line with our original plan over the fourth quarter of 2024. We will continue to monitor this regularly going forward.

During the quarter, most of the constituent Aon Managed Funds generated positive returns. The Aon Managed Initial Growth Phase Fund (90% equities and 10% property and infrastructure) returned 3.8%, with most of the underlying funds providing positive returns. Performance was driven by positive returns from climate transition equities and multi-factor equities, although this was partially offset by the exposure to listed property and emerging market equities. The Aon Managed Global Impact Fund (100% equities) returned 2.6%, reflecting rising equity markets, although performance was partly offset by an underweight allocation to technology and exposure to industrials.

The Aon Managed Diversified Asset Fund returned 1.6%. Gains from its allocations to climate transition and multi-factor equities, absolute return bonds, asset-backed securities and cash more than offset exposure to government bonds, which fell in value. The Aon Managed Diversified Multi-Strategy Bond Fund returned 1.3%, with the allocations to asset-backed securities and absolute return bonds performing particularly well. The Aon Managed Passive Corporate Bond Fund (100% corporate bonds) fell slightly over the quarter.

The Aon Managed Up to 5 Year Gilt Index Fund and the Aon Managed Short Term Inflation Linked Fund returned 0.1% and 0.2% respectively, as short maturity government bonds rose in value.

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Fund Split as at 31 Dec 2024

AM INITIAL GROWTH O Prvt	69.4%
AM DIVERSIFIED ASSET O Prvt	11.6%
AM GLOBAL IMPACT O	8.0%
AM DIVERSIFIED MULTISTRAT BOND O Prvt	5.7%
AM SHORT TERM INFLATION O Prvt	4.2%
AM UP TO 5 YR UK GILT IDX AH Prvt	1.2%
Total	100.1%

Source of fund breakdown and holdings: Fund mgmt group

This Fund is 11 years away from its target date and its investment mix at the end of the quarter is provided in the chart above.

Differences in performance reporting between fund and benchmark may arise due to the impact of timing, charges, cashflows, and the pricing basis of the underlying fund. Fund returns are calculated on a total return basis with dividends reinvested.

The value of your plan depends directly on a number of things, including the level of your pensions savings, charges, investment returns and the annuity rates available to buy your pension income when you decide to take your benefits. Levels and basis of, and reliefs from, taxation can also change. Any money that you invest in the plan is tied up until you take your retirement benefits. You cannot normally take the benefits until at least the age of 55.

The value of investments can fluctuate. Fluctuations may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Changes in exchange rates will affect the value of overseas investments. Emerging market investments are often associated with greater investment risk. Two main risks related to fixed income investing are interest rate risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the market value of bonds. Credit risk refers to the possibility that the issuer of the bond will not be able to repay the principal and make interest payments.

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