

Aon Managed Core Retirement Pathway 2031-2033

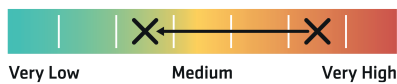
Defined contributions

Fund information

Issuing company	Aegon/Scottish Equitable plc
Inception date	26 May 2015
Benchmark	Composite for AON Core TDF 2031-33
Entry Fees	No
Exit Fees	No
Performance Fee	No
Additional Expenses	0.02%
Fund size	£5,400.50m
Fund type	Pension
ISIN	GB00BWFY7L08
SEDOL	BWFY7L0
Domicile	United Kingdom
Use of Income	Accumulation
Base Currency	GBP

Additional expenses within the Aon Managed Core 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 0.02%. An annual management charge will also be incurred in addition to the additional expenses shown.

Relative Risk Profile



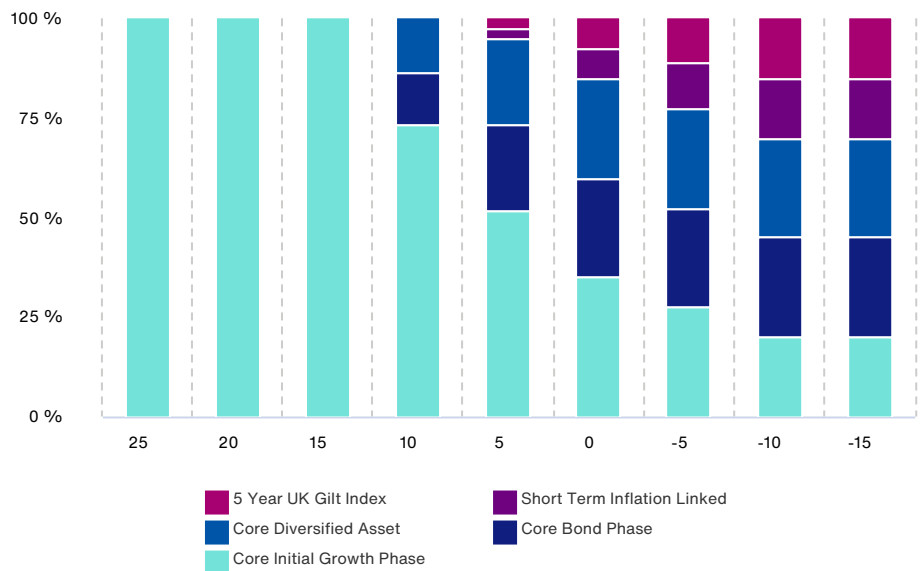
Each Aon Managed Core Retirement Pathway fund automatically changes its investment mix over time from higher-risk to lower-risk investments and therefore the risk rating of each fund will vary over time from 6 (High) at the beginning of the investment cycle to 3 (Medium-Low) at the maturity date of the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

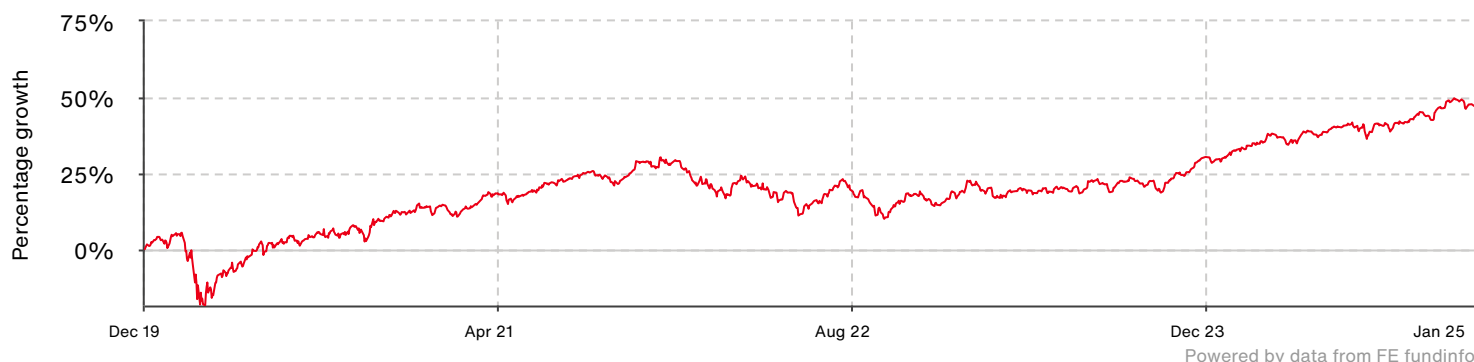
The Funds are part of a series of dynamic investment strategies. This Fund aims to maximise the potential for capital growth, and help manage the investment risks at each stage of an investor's life. The Aon Managed Core Retirement Pathway Funds will provide members of a company's pension scheme (investors) 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 will aim to predominantly include passively managed funds over the lifetime of the strategy but may also include actively 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	3.8%	12.8%	12.8%	4.5%	8.0%
Benchmark	4.4%	14.0%	14.0%	5.0%	8.2%
	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	12.1%	15.1%	-10.7%	13.2%	12.8%
Benchmark	11.4%	15.1%	-10.7%	13.9%	14.0%

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 3.8% 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.

Following the latest review, the Fund's allocation remained unchanged over the fourth quarter of 2024. This decision reflected the higher interest rate and inflationary environment experienced over the last three years. Previously, we took the opportunity to bring forward some of the planned de-risking in the first half of 2021 and 2022 to reduce risk further as the Fund approaches its target date, reflecting strong market performance since the Fund's inception. 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 Core Initial Growth Phase Fund (100% equities) returned 5.9%, as equity markets rose. The Aon Managed Core Diversified Asset Fund (50% equities, 50% corporate bonds) returned 2.7%, with positive returns from equities partly offset by falling corporate bond values. The Aon Managed Core Bond Phase Fund (100% corporate bonds) returned -0.5%, as corporate bond values fell.

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 CORE INITIAL GROWTH O Prvt	54.5%
AM CORE DIVERSIFIED ASSET O Prvt	20.9%
AM SHORT TERM INFLATION O Prvt	11.4%
AM CORE BOND PHASE O Prvt	10.5%
AM UP TO 5 YR UK GILT IDX AH Prvt	2.9%
GBP CASH(Committed)	-0.2%
Total	100.0%

Source of fund breakdown and holdings: Fund mgmt group

This Fund is 8 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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