For employers and scheme trustees

Key lifestyle fund due diligence report

Update on how our key workplace lifestyle funds have performed

Quarter one 2024

Contents

Introduction

This document details our current lifestyle process and goes on to report on the key drivers of world markets in the most recent quarter. The report then explains the progress of some of our key actively managed and blended lifestyle funds during the growth stage of the lifestyle process: the Universal Lifestyle Collection, the MI Workplace Savings funds, the Cautious Lifestyle fund, the Balanced Lifestyle fund, the Dynamic Lifestyle fund and the Ethical Lifestyle fund. Finally, this report outlines the performance of our key passively managed lifestyle funds.

Please note: all performance data shown in this report is sourced from FE fundinfo.

This communication is for scheme trustees and employers only. It mustn't be distributed to, or relied on by customers or any other persons.

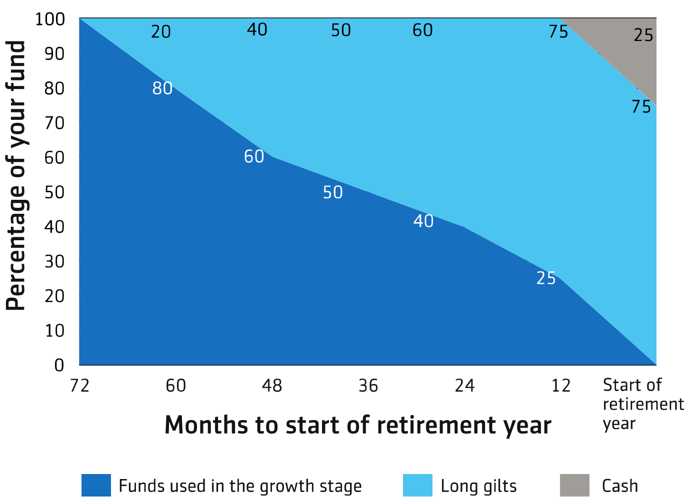
The information in this report is a factual review of performance only, and shouldn't be taken as a recommendation or advice. The information in this report is correct to the best of our knowledge at the time of writing. Markets and funds change constantly, so the information it contains may have changed by the time you read this.

The value of the funds in this report may go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest. For risks associated with each fund, please view the fund fact sheet via the 'Fund prices and information' page on our website and selecting 'Other fund ranges'.

About lifestyling

The funds in this investment report show your scheme's default lifestyle fund during its 'Growth' stage. The following table shows the lifestyle fund and the underlying fund that it invests directly into.

Lifestyle fund	Underlying Fund
Universal Lifestyle Collection	Universal Balanced Collection
Balanced Lifestyle	Mixed fund
Ethical Lifestyle	Ethical fund
Dynamic Lifestyle	Global fund
Cautious Lifestyle	Distribution fund
MI Workplace Savings (L) MI Workplace Savings (M) MI Workplace Savings (H)	MI Savings (L) MI Savings (M) MI Savings (H)
Balanced Passive Lifestyle	Balanced Passive
Stakeholder default	Growth Tracker (Annuity Target)
GPP Default	Growth Tracker (Annuity Target)
Aegon BlackRock 50/50 Equity and Bond Tracker Lifestyle	Aegon BlackRock 50/50 Equity and Bond Tracker
Aegon BlackRock 50/50 Global Equity Tracker Lifestyle	Aegon BlackRock 50/50 Global Equity Tracker
Aegon BlackRock 75/25 Equity and Bond Tracker Lifestyle	Aegon BlackRock 75/25 Equity and Bond Tracker
Aegon BlackRock Consensus Lifestyle	Aegon BlackRock Consensus



How do the funds work in the lifestyle stage?

The lifestyle stage starts some years* before the start of your member's target retirement year and recognises that their priorities may change as retirement approaches. It assumes they'll buy an annuity, to provide themselves with an income (pension) for life (or a specified number of years), when they retire.

Some years before they're due to retire; we'll progressively start switching their investment into long gilts (UK government bonds) with the aim of giving them more certainty about the level of annuity they'll be able to buy when they retire.

We'll also move some of their pension pot into cash in the final year or two years* of their investment.

*Please note, this chart is for illustration purposes only and the lifestyle stage can vary for each fund.

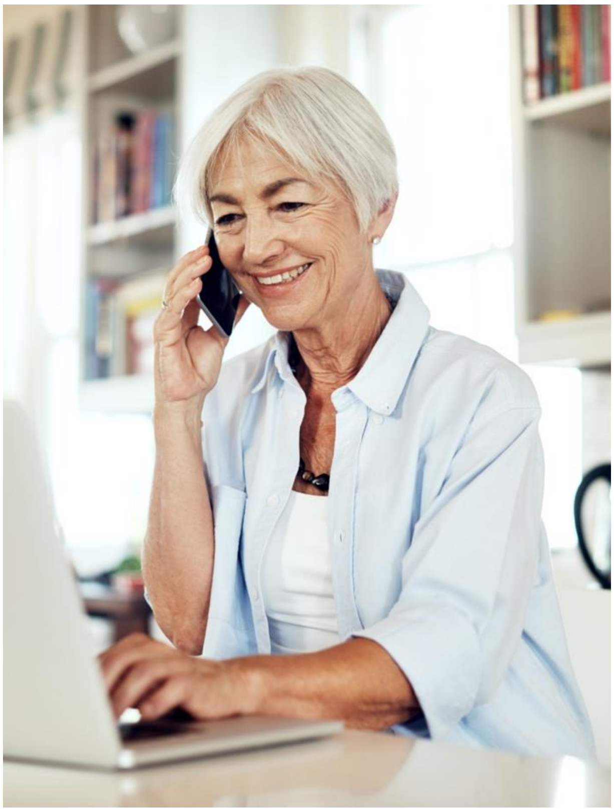
Retirement

If investors don't buy an annuity in their selected retirement year, they'll automatically be switched into a retirement fund. This keeps their asset allocation 75% invested in long gilts and 25% invested in cash. They will remain in this fund until they tell us otherwise.

Our retirement funds are designed for short-term investing, where preserving the size of annuity members can buy is the priority. Returns may not keep pace with inflation.

Please remember, even though they're investing in a lifestyle fund they should still review their investments on a regular basis, particularly if their financial needs or personal circumstances change.

We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.



Why long gilts?

Long gilts are fixed-interest investments issued by the UK government with maturity dates of 15 years or more.

When annuity rates (which determine how much pension your scheme members will get per year) go down, the value of a pension pot that's invested in long gilts is likely to go up, and vice versa.

This means that if they invest in long gilts, the level of income they'll get at retirement is less likely to change dramatically if annuity rates move up or down just before they retire.

Long gilt values can go down as well as up. The relationship between long gilts and annuity rates isn't perfect and can be affected by other factors.

Why cash?

Moving into cash caters for a scheme member's tax-free cash entitlement.

They can choose how much of their cash entitlement they want to take, but our process assumes they'll take the maximum which, based on current legislation, is 25% of their pension pot.

Our climate roadmap

We have committed to transitioning our workplace default fund range to net-zero greenhouse gas (GHG) emissions by 2050. Our climate roadmap provides an overview of our decarbonisation progress so far and our future milestones to reach net zero. Between 2020 and 2023, we reduced our workplace default funds' carbon footprint by 28.6% for scope 1 and 2 emissions* for listed equity and corporate fixed income.**

Our short-term targets now include:

- Reducing our default funds' footprint by another 14% between 2023 and 2026.
- Engaging via our asset managers with companies representing at least 70% of our financed emissions (scope 1, 2 and 3) through direct or collective engagement by 2025.
- Investing £500 million in climate solutions by 2026.

You can find out more about our climate roadmap, accompanying videos and other information on our approach to responsible investment on our website.

*Climate data is supplied by MSCI and based on available funds and available scope 1 and scope 2 emissions reported, verified or estimated, for June 2023. It is likely to change notably in the coming years. Scope 1 emissions are direct GHG emissions that occur from sources owned or controlled by the reporting company. Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity, steam heating or cooling consumed by the reporting company. Aegon UK's operational net-zero commitment covers our scope 1 and 2 emissions.

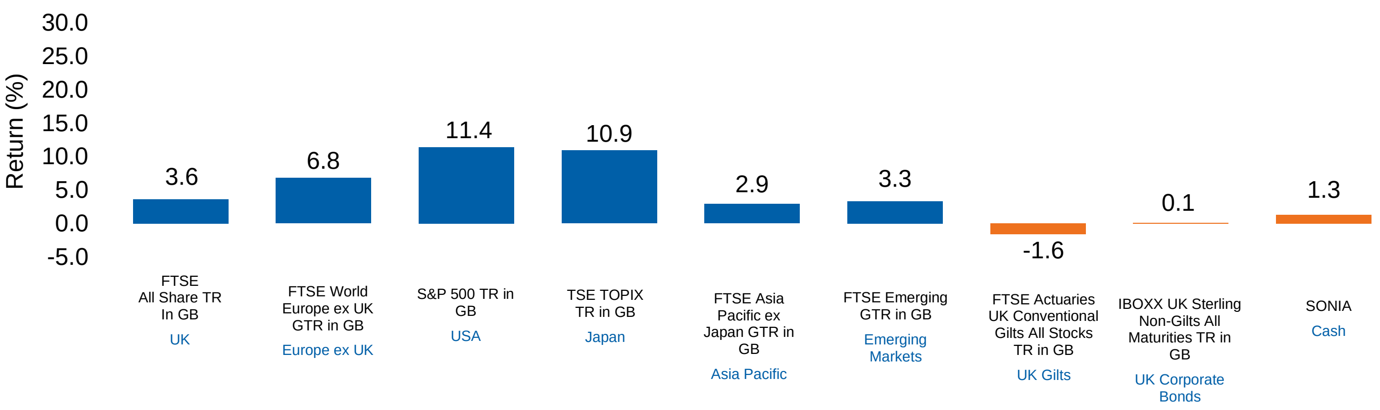
**Our target setting and methodologies are guided by the Paris Aligned Investment Initiative Net Zero Investment Framework 1.0. We monitor them annually and review them at least every two years. The targets might change as new data and information become available. Short- and medium-term emissions targets use a 2020 baseline and cover listed equity and corporate fixed income, representing 84% of our default funds, excluding cash.

Source: Aegon UK

Market Review – quarter one 2024

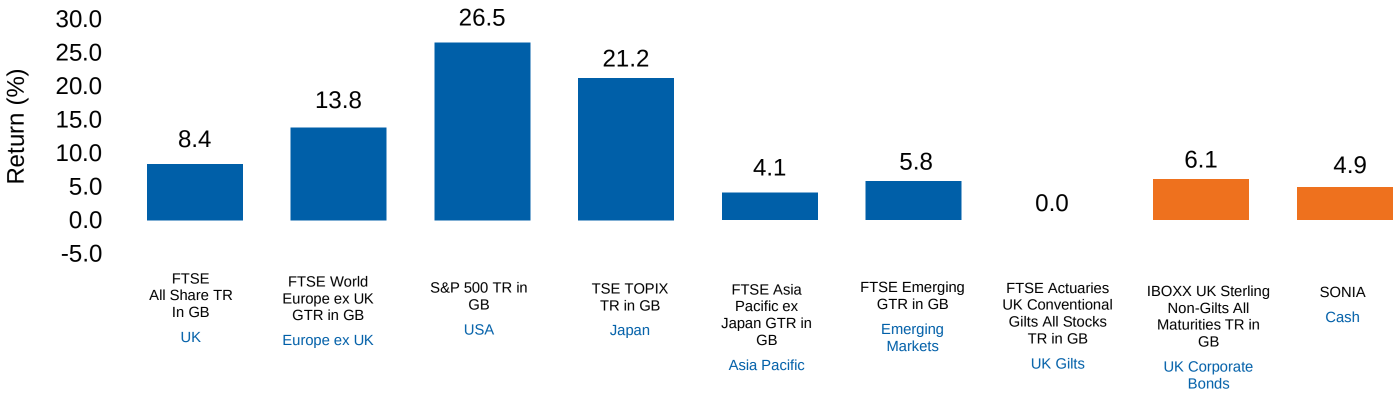
In the first quarter of 2024, most developed equity markets benefited from signs of an upturn in the global economy, with some markets experiencing double-digit growth in sterling terms. **US** equities led performance, helped by the combination of the strong economic backdrop and strong results from some large companies in the technology sector. **Japanese** equities followed closely behind, with the stock market outperforming despite the first interest rate rise in 17 years. **European** equities were also positive as economic activity in the region improved. **UK** equities were positive but underperformed with the UK economy facing significant challenges, including confirmation it slipped into recession in the second half of 2023. **Emerging Markets** equities and **Asia Pacific** equities underperformed, although both saw positive returns over the period.

Meanwhile, in **Fixed Income**, **UK corporate bonds** performance was broadly flat and **UK government bonds** (gilts) were negative over the period which was in line with global government bond markets. **Cash** was positive over the quarter.



Major market performance over 12 months

Global equities rose over the 12-month period with double-digit returns in sterling terms for European, US and Japanese equities. This was led by **US** equities as inflation continued to fall and the technology sector outperformed, amidst a backdrop of economic growth in the region. **Japanese** equities also saw double-digit gains as the Japanese economy expanded towards the end of 2023. **European** equities were also positive as inflation continues to fall. **UK** equities rose over the period although the economy dipped into recession in the second half of 2023. **Emerging Markets** and **Asia Pacific** equities were positive but muted in part due to China's waning economic recovery which weighed on investor sentiment. In **Fixed Income**, returns struggled in the first six months as inflation remained stubborn and rising interest rates fuelled rises in yields (bond prices fall as yields rise). However, as inflation started to fall, yields subsequently fell (with bond prices rising). **UK government bonds** (gilts) were flat over the entire period while **UK corporate bonds** experienced gains. **Cash** posted positive returns over the period.



Source: FE fundinfo, produced by Aegon. Charts compiled using total return indices to 31 March 2024. Figures in sterling so include the effect of currency fluctuations. Past performance is not a reliable guide to future performance.

Key events in the major markets over quarter one

In the **UK**, data released over the period showed the economy contracted for two quarters in a row and entered a recession, declining by 0.2% on an annualised basis in the fourth quarter of 2023. Inflation fell to 3.4% in February, down from 4% in January and slightly below the market expectation of 3.5%. The Bank of England (BoE) voted to keep interest rates on hold at 5.25% in March, by an 8-1 majority in favour. The unemployment rate rose to 3.9% in the three months leading up to January 2024.

In the **US**, data released over the period showed the US economy continued to grow, expanding by 3.4% on an annualised basis in the fourth quarter of 2023. The Federal Reserve, the country's central bank, kept interest rates at their 23-year high of 5.25-5.5% in March. The Core Personal Consumption Expenditures (PCE) index (one of the main measures of inflation), fell to 2.8% in February. President Biden signed a $1.2 trillion government funding bill, funding the government until September 2024 helping to avoid a US government shutdown.

In **Europe**, data released over the period showed the economy stagnated in the fourth quarter of 2023, with a growth rate of 0.0%, following a contraction of 0.1% in the third quarter. The European Central Bank (ECB) held interest rates at a 22-year high of 4.5% throughout the period, in a continued effort to combat high inflation. Annual inflation did fall more than expected to 2.4% in March however it remained above the ECB’s target of 2%.

In **Japan**, data released over the period showed the Japanese economy expanded by 1.2% year on year in the fourth quarter of 2023. In March, changes were made to Japan’s monetary policy, with the short-term interest rate increased to 0.1%, the first increase to the rate in 17 years. Inflation rose from 2.2% in January to 2.8% in February, marking it the first acceleration of inflation in the country in four months, its highest level since November 2023.

In **Asia Pacific** regions, with the exception of China, most main markets saw positive returns helped by the continued global rally in technology stocks. Taiwan performed strongly over the quarter, as the economy expanded driven by an increased interest in Artificial Intelligence (AI). The country has multiple semiconductor and server manufacturers embedded in the AI supply chain. In China, the economy felt the effects of the collapse of property company Evergrande at the end of 2023 along with continued concerns about growth prospects. However, improving economic data and stimulus measures from the central bank saw a rebound earlier in the quarter.

In **Emerging Markets** equity gains were supported by a strong performance from Turkey, in part due to an economic overhaul which started last year. The Indian market hit an all-time high over the period as investor appetite continued to build for this fast-growing region. The worst performing markets were Thailand, after lower-than-expected economic growth, and Brazil with declining commodity prices especially in lithium and other Electric Vehicle (EV) battery materials.

In **Fixed Income**, major central banks including the Bank of England, the European Central Bank and the US Federal Reserve all chose to leave interest rates unchanged over the quarter despite inflation falling. With inflation still above target in many countries and economies showing resilience, investors adjusted their rate expectations higher. Government bonds were repriced to reflect this, and prices fell. Corporate bonds outperformed government bonds as concerns over the global economy started to fall.

Source: Aegon UK Portfolio Management team, April 2024

Our key lifestyle default funds (growth stage) – blended solutions

Universal Lifestyle Collection (Universal Balanced Collection)

The Universal Lifestyle Collection (ULC) uses a two-stage investment process called lifestyling. In the early years (the growth stage) it invests wholly in the Universal Balanced Collection (UBC). The UBC invests in a mix of different funds, from different fund managers, offering a mix of active and passive fund management, which means it doesn't rely on the performance of one manager or management style alone. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

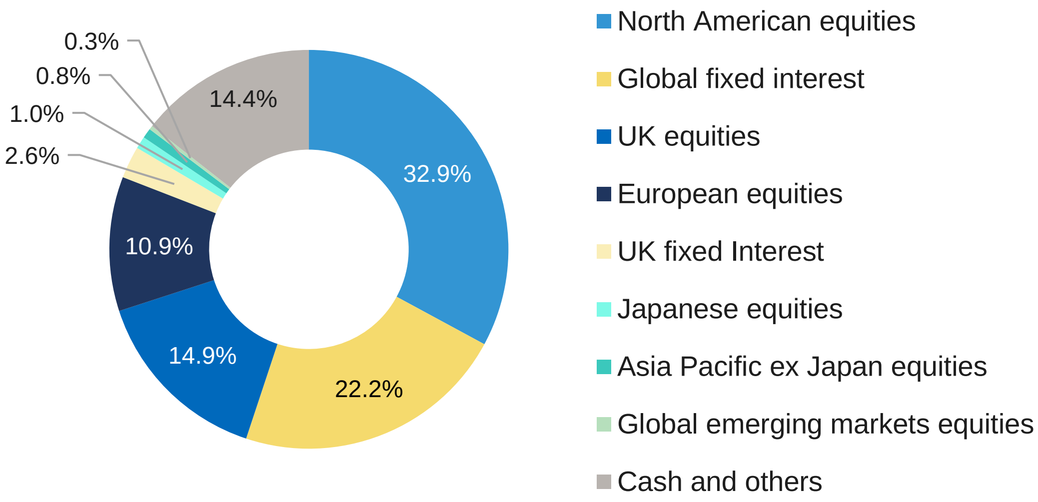
How has the fund performed?

Fund	3 months (%)	12 months (%)	3 years (% a year)	5 years (% a year)	10 years (% a year)
Universal Lifestyle Collection (ULC)	5.1	13.0	4.1	6.3	6.5
ABI Mixed Investment 40% - 85% Shares pension sector median	4.2	10.2	3.9	5.0	5.6
ULC component funds:					
Aegon Diversified	5.5	13.7	4.0	6.3	n/a
Aegon AM Asset Allocator	4.3	11.6	5.6	6.9	7.3
SE Baillie Gifford Balanced Managed	3.9	9.4	-3.4	5.4	7.1
SE BlackRock Balanced Managed	5.0	11.8	3.9	7.2	6.6
Aegon BNY Mellon Multi-Asset Balanced	5.8	11.3	7.6	8.4	6.9
Aegon AM Global Sustainable Sovereign Bond	-0.9	4.4	n/a	n/a	n/a

Source: FE fundinfo. Produced by Aegon. SE: Scottish Equitable. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Universal Lifestyle Collection invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Universal Lifestyle fund commentary covering quarter one 2024

The Universal Lifestyle Collection (ULC) returned 5.1% during the first quarter of 2024, outperforming the Association of British Insurers (ABI) Mixed Investment 40-85% Shares pension sector median return of 4.2%. Inflation continued to fall in February, though slightly below market expectations and the UK entered a technical recession, with the economy contracting for the second quarter in a row.

Most of the component funds in the portfolio experienced gains during the period. The Aegon Diversified fund, which makes up approximately 70% of the fund, returned 5.5% and the best performance came from the Aegon BNY Mellon Multi-Asset Balanced fund which returned 5.8% over the quarter. The Aegon AM Global Sustainable Sovereign Bond fund returned -0.9%.

MI Workplace Savings funds (MI Savings funds)

The MI Workplace Savings funds invest in a diversified portfolio so that you're not relying on the success of just one investment type. Our range offers a choice of funds to suit those with different attitudes to risk. When markets become more volatile, the funds replace some of the investments with lower-risk assets like cash, which we believe can help to limit the impact of extreme and sustained market falls. We also believe this approach could provide returns greater than inflation over the long term.

What do the funds invest in?

Each MI Workplace Savings fund holds a mix of investment types to match its risk level. The ranges shown are for illustrative purposes only and are based on long-term projected asset allocations, so they can change.

Fund name*	Volatility range
MI Workplace Savings (L)	7-10%
MI Workplace Savings (M)	9-12%
MI Workplace Savings (H)	11-14%

*The MI Workplace Savings funds invest in the underlying MI Savings funds in the growth stage.

How have the funds performed?

Performance	3 months (%)	12 months (%)	3 years (% a year)	5 years (% a year)	10 years (% a year)
MI Workplace Savings (L)	3.5	10.0	1.7	2.4	4.5
MI Workplace Savings (M)	4.8	12.8	3.4	3.5	5.2
MI Workplace Savings (H)	6.1	15.4	5.1	4.7	6.1

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

MI Workplace Savings commentary covering quarter one 2024

Over the first quarter of 2024, financial markets saw mixed performance. Equity markets and riskier fixed income assets produced positive returns, whereas interest rate sensitive fixed income assets ended the quarter in negative territory. Upside surprises in economic data spurred investor appetite for risk assets. Contrary to this, stickier than anticipated inflation served to push out expectations for the timing of interest rate cuts to the second half of the year and reduced the number of expected interest rate cuts for 2024 by half, which ultimately drove bond yields higher. Geopolitical tensions provided a potential risk, however not to the extent as to derail the market momentum.

The portfolios remained fully allocated to risk assets throughout Q1 as short-term volatility remained below target. Portfolios maintained approximately a 2-5% strategic cash position. Performance over the quarter was positive. Global equity markets performed strongly over the first quarter of 2024. This performance was driven by upside surprises in economic data, optimism regarding a soft economic landing, and bullish sentiment regarding AI supported risk assets. In contrast, fixed income assets delivered broadly negative returns as central banks pushed back against market expectations of rate cuts amid persistent inflation.

Commentary and figures sourced: BlackRock, April 2024

Our key lifestyle default funds (growth stage) – Active

Cautious Lifestyle (Distribution)

The Cautious lifestyle fund uses a two-stage investment process called lifestyling. It aims to perform better than its benchmark in the early years (the growth stage) and give you more certainty about the amount of pension you can buy via an annuity when you retire (the lifestyle stage). Growth stage: During the early years of your investment, the Cautious Lifestyle fund aims to provide long-term capital growth by investing in a portfolio of global equities (shares) which typically deliver a yield higher than that generally available from investment in global equities. The fund also invests in global fixed interest securities (bonds) and in derivatives.

How has the fund performed?

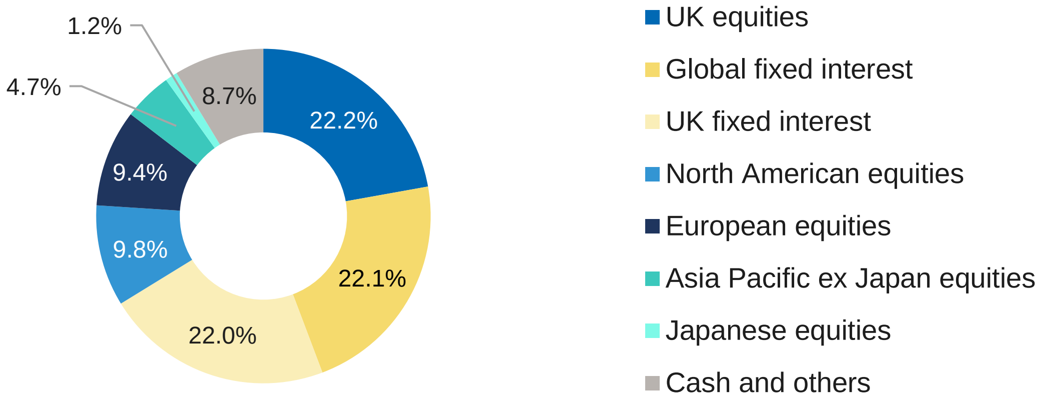
Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Cautious Lifestyle	2.9	8.6	2.7	2.6	3.6
Benchmark*:	1.9	6.4	1.1	2.7	3.4

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

* This fund is currently measured against the ABI Mixed Investment 20%-60% Shares pension sector median.

Where the fund invests

In the growth stage, the Cautious Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Cautious Lifestyle (Distribution) fund commentary covering quarter one 2024

The fund returned 2.9 % over the quarter, outperforming its benchmark. The UK equity component of the fund outperformed the FTSE All-Share index, helped by its overweight to commodities and defence names such as BAE Systems and Babcock. Defence spend is seen as an area where countries will increase spending. The 'UK for sale' theme continued with packaging holding DS Smith (where the fund held an overweight position) bid for first by Mondi and then by the US company International Paper.

Within the fund's allocation to fixed income, lower-rated or subordinated holdings performed well over the quarter, with property name Heimstaden experiencing a strong recovery. The fund also benefited from strong performances across the Centreparcs complex. Elsewhere, large index constituent Thames Water struggled as the owners pushed back on the regulator Ofwat's stance.

Source: Aegon Asset Management, April 2024

Balanced Lifestyle (Mixed)

The fund uses a two-stage investment process called lifestyling. It aims to perform better than its benchmark in the early years (the growth stage) and give you more certainty about the amount of pension you can buy via an annuity when you retire (the lifestyle stage). Growth stage: the fund aims to provide long-term capital growth by investing wholly in our Mixed fund, which aims to produce returns greater than the ABI Mixed Investment 40-85% Shares sector median over the long term. It invests in a diversified portfolio of mainly UK equities (shares), but also overseas equities, fixed interest securities and cash.

How has the fund performed?

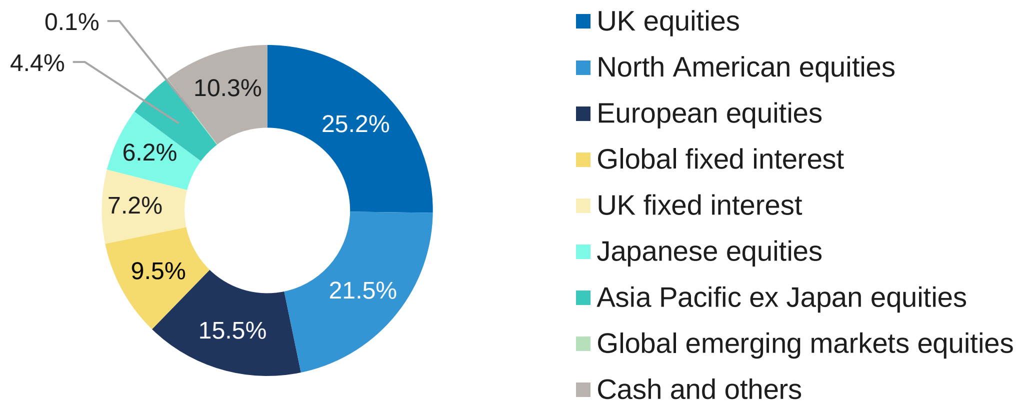
Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Balanced Lifestyle	5.0	9.4	2.9	6.5	6.3
Benchmark*:	4.2	10.2	3.9	5.0	5.6

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

*This fund is currently measured against the ABI Mixed Investment 40%-85% Shares pension sector median.

Where the fund invests

In the growth stage, the Balanced Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Balanced Lifestyle (Mixed) fund commentary covering quarter one 2024

The fund returned 5.0% in the first quarter of 2024, outperforming its benchmark which returned 4.2%.

The fund's allocation to equities marginally detracted value over the period on a relative basis. The allocation to US equities was the largest detractor, with UK and European equities contributing positively during the quarter. Stock selection within equity regions added value with positive contributions coming from all regions apart from emerging markets. The best performing sector was Europe. The fund's exposure to overseas fixed income was moderately positive during the quarter. Issue selection within overseas fixed income marginally added to overall fund returns.

Source: Aegon Asset Management, April 2024

Dynamic Lifestyle (Global)

The fund uses a two-stage investment process called lifestyling. It aims to perform better than its benchmark in the early years (the growth stage) and give you more certainty about the amount of pension you can buy via an annuity when you retire (the lifestyle stage). Growth stage: the fund aims to provide long-term capital growth by investing wholly in our Global fund, which in turn invests in several of our regional and specialist funds. The Global fund mainly invests in equities (shares) in a range of international companies but may also hold a small proportion in fixed income (bonds) and cash.

How has the fund performed?

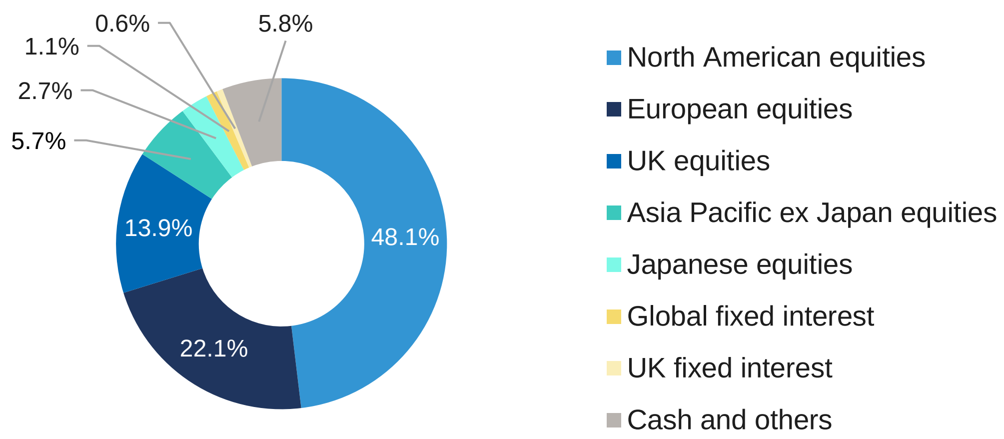
Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Dynamic Lifestyle	10.0	19.4	6.5	11.9	10.3
Benchmark*:	7.4	17.3	8.2	9.7	9.5

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

*This fund is currently measured against the ABI Global Equities pension sector median.

Where the fund invests

In the growth stage, the Dynamic Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Dynamic Lifestyle (Global) fund commentary covering quarter one 2024

The fund returned 10.0% in the first quarter of 2024, compared to 7.4% for its benchmark.

Asset allocation within equities was a positive contributor to overall fund performance over the quarter, with positive returns during the period largely attributable to the funds UK and European equity positioning. Stock selection added to overall fund return during the quarter. In particular, stock selection within the Europe ex UK and US regions were the largest contributors to performance.

Source: Aegon Asset Management, April 2024

Ethical Lifestyle (Ethical)

This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) it invests wholly in the Ethical fund, which aims to maximise its total return (the combination of income plus capital growth) by investing in equities (shares) and equity type securities of companies based in the UK, mainly conducting business in the UK or listed on the UK stockmarket, which meet the fund's predefined ethical criteria. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

How has the fund performed?

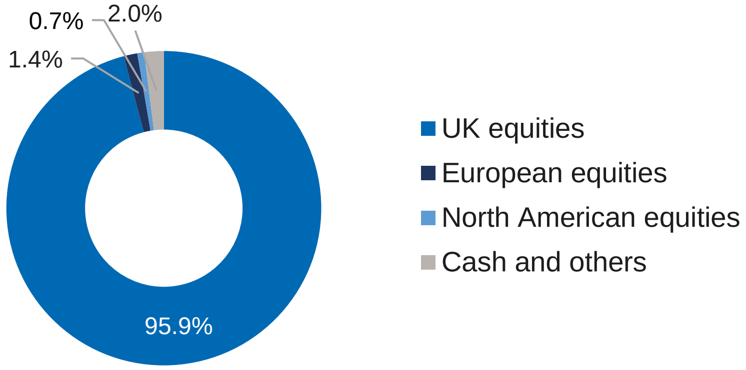
Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Ethical Lifestyle	1.8	13.9	0.5	4.4	3.8
Benchmark*:	3.6	8.4	8.0	5.4	5.8
ABI Sector*:	3.0	7.3	5.5	4.2	4.5

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

*This fund is currently measured against the FTSE All-Share TR Index benchmark and the ABI UK All Companies pension sector median.

Where the fund invests

In the growth stage, the Ethical Lifestyle (Ethical) fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

We've committed to transitioning our default fund range to net-zero greenhouse gas emissions by 2050. Net-zero targets don't apply to individual funds. This fund will exclude or include investments based on responsible investment criteria. As investors move towards their target retirement date, the amount invested in these types of holdings will change as a part of that process. [You can read more about this in the fund factsheet on our website.]

Ethical Lifestyle (Ethical) fund commentary covering quarter one 2024

The fund returned 1.8% over the quarter, underperforming its benchmark. Over the quarter, exposure to real estate and utilities detracted, as did having limited exposure to healthcare (including no weighting to pharmaceuticals) and aerospace & defence. However, sector allocation added value, with gains from weightings in media and construction & materials.

The fund also benefited from the lack of exposure to consumer staples and mining, which is driven primarily by its ethical criteria. Several of the fund's larger-cap holdings performed well, including DS Smith, NatWest, Intermediate Capital Group and RELX. Within financials, both NatWest and Intermediate Capital Group performed strongly. On the downside, Watches of Switzerland, Whitbread and FDM were weaker performers.

Source: Aegon Asset Management, April 2024

Our key lifestyle default funds (growth stage) – Passive

In this section, you'll find information on the investment performance of the passive funds most commonly used as default funds by our corporate pension clients.

Balanced Passive Lifestyle

This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) it invests in our Balanced Passive fund. It's passively managed and invests mainly in UK and overseas equities (shares of companies), fixed interest investments (bonds) and cash. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

How has the fund performed?

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Balanced Passive Lifestyle	4.1	11.3	4.9	5.7	6.2
Benchmark*:	4.0	9.7	3.2	4.9	5.4

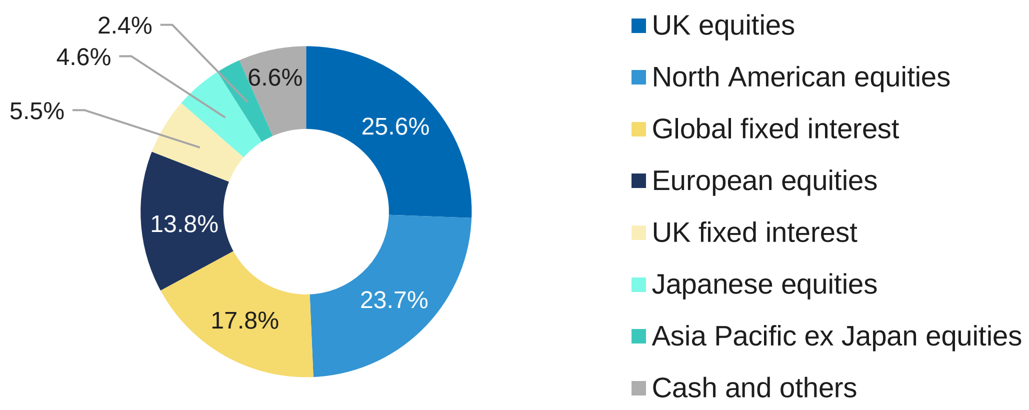
Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

*This fund is currently measured against the ABI Mixed Investment 40% - 85% Shares pension sector average.

Where the fund invests

This fund is passively managed, so it aims to broadly match the performance of the Association of British Insurers (ABI) Mixed Investment 40%-85% Shares sector average. The fund's performance may not always precisely track the average. For example, when market conditions offer particularly strong opportunities to actively managed funds, the fund's returns may be lower than the sector average.

The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Stakeholder Default

This fund uses a two-stage investment process. In the early years (the growth stage) it aims to grow savings over the long term by investing mainly (generally at least 65%) in global equities (company shares) with the remainder in bonds (corporate and/or government bonds) and/or cash. It's designed to track the markets it invests in, so performance should be similar to those markets. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

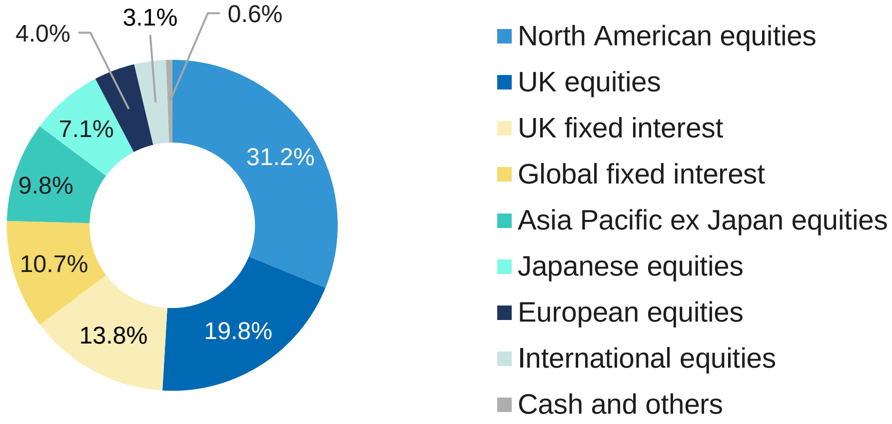
How has the fund performed?

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Stakeholder Default	4.2	11.3	4.6	5.5	6.3

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Stakeholder Default fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

GPP Default

This fund uses a two-stage investment process. In the early years (the growth stage) it aims to grow savings over the long term by investing mainly (generally at least 65%) in global equities (company shares) with the remainder in bonds (corporate and/or government bonds) and/or cash. It's designed to track the markets it invests in, so performance should be similar to those markets. Six years before the start of your target retirement year (the lifestyle stage), we'll progressively start switching your investment into our Long Gilt and (in the final year) Cash fund, with the aim of giving you more certainty about the level of annuity you'll be able to buy when you retire and to cater for your maximum tax-free cash entitlement, currently 25% of your pension pot. We reserve the right to change our lifestyle funds. The fund is only available to Aegon Group Personal Pension planholders whose scheme started on or after 1 December 2008.

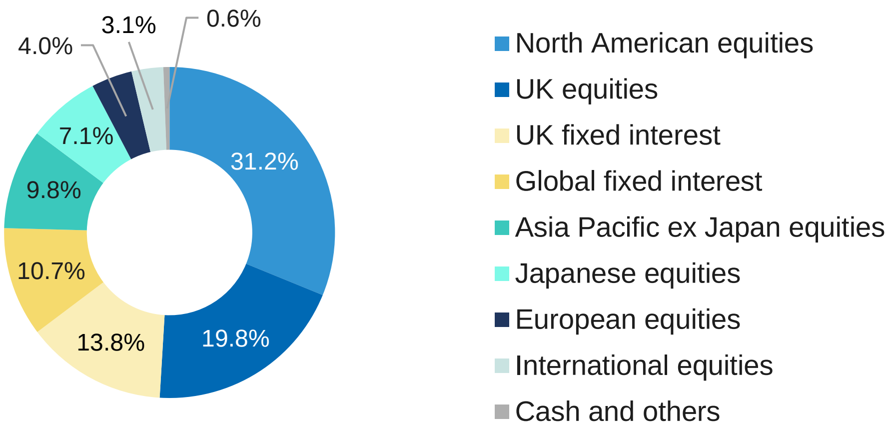
How has the fund performed?

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
GPP Default	4.2	11.3	4.6	5.5	6.3

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the GPP Default fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Aegon BlackRock 50/50 Equity and Bond Tracker Lifestyle

This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) it aims for returns consistent with the markets it invests in by investing 50% in UK and overseas equities (shares) and 50% in gilts and sterling investment-grade corporate bonds with maturity periods of 15 years or longer. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

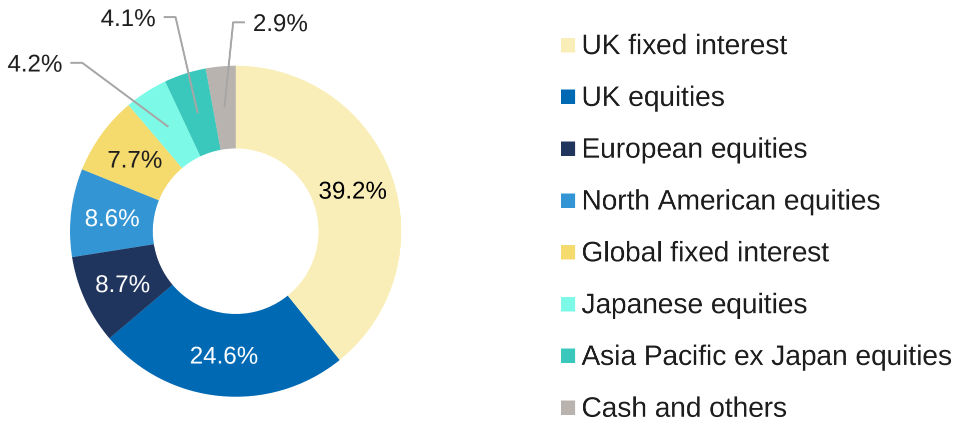
How has the fund performed?

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Aegon BlackRock 50/50 Equity & Bond Tracker Lifestyle	1.1	5.8	-2.7	0.5	4.3

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Aegon BlackRock 50/50 Equity and Bond Tracker Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Aegon BlackRock 50/50 Global Equity Tracker Lifestyle

This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) aims to provide returns consistent with the markets it invests in by investing in the Aegon BlackRock 50/50 Global Equity Tracker fund. This fund invests approximately 50% in UK equities (shares) and 50% in overseas equities (excluding the UK). We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

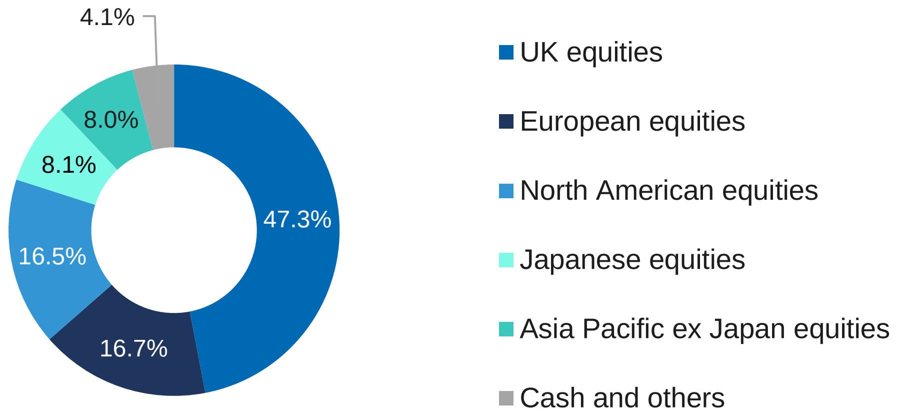
How has the fund performed?

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Aegon BlackRock 50/50 Global Equity Tracker Lifestyle	5.2	12.1	7.5	7.2	7.4

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Aegon BlackRock 50/50 Global Equity Tracker Lifestyle fund invests in a mix of investments designed to grow an investor’s pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Aegon BlackRock 75/25 Equity and Bond Tracker Lifestyle

This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) it aims to provide returns consistent with the markets it invests in by investing wholly in the Aegon BlackRock 75/25 Equity and Bond Tracker fund, which invests approximately 75% in UK and overseas equities (shares) and the rest in fixed interest securities (bonds). We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

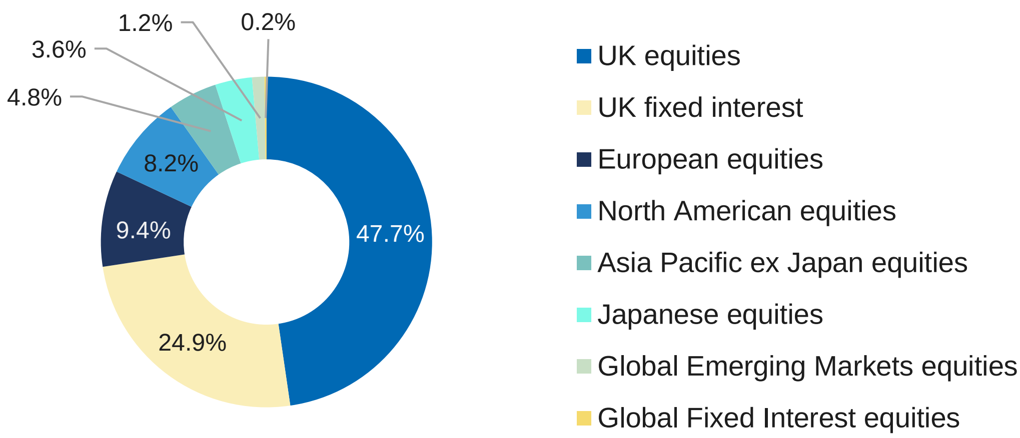
How has the fund performed?

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Aegon BlackRock 75/25 Equity & Bond Tracker Lifestyle	1.9	4.8	1.3	2.3	4.8

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Aegon BlackRock 75/25 Equity and Bond Tracker Lifestyle fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding and a cash weighting of -0.2%.

Aegon BlackRock Consensus Lifestyle

This fund uses a two-stage investment process called lifestyling. In the early years (the growth stage) it aims to match the performance of the ABI Mixed Investment 40-85% Shares pension sector average after charges by investing mainly in UK and overseas equities (shares), fixed interest and cash. We review our lifestyle funds from time to time and may change how they work if we believe this to be in the best interests of investors.

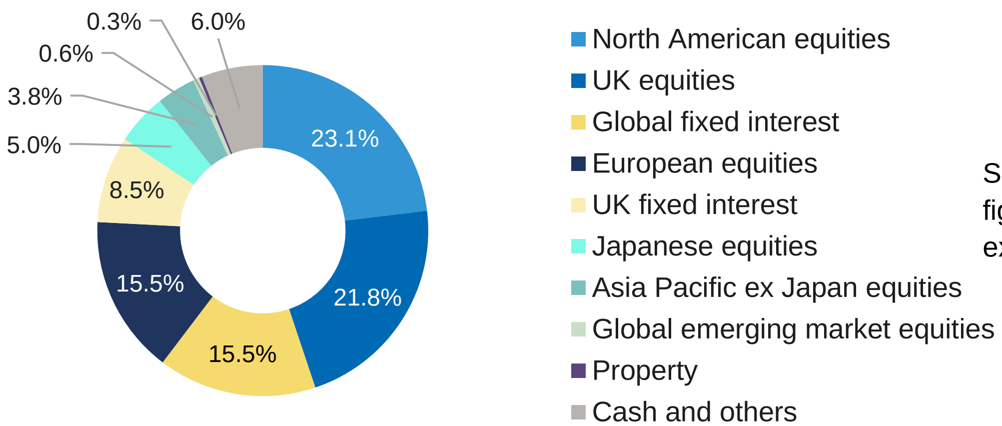
How has the fund performed?

Performance	3 months (%)	12 months (%)	3 year (% a year)	5 years (% a year)	10 years (% a year)
Aegon BlackRock Consensus Lifestyle	3.8	9.9	4.8	5.5	6.0

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 March 2024. Past performance is not a reliable guide to future performance. The value of investments can go down as well as up for a number of reasons, for example market and currency movements. Investors may get back less than they invest.

Where the fund invests

In the growth stage, the Aegon BlackRock Consensus fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested at an asset class and regional level, at 31 March 2024.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding.

Workplace Target funds

We've designed this range in response to changing investment patterns and pension freedoms legislation. Investors now have more choice than ever before about how and when they take an income in retirement.

Flexible Target

- Universal Balanced Collection
- Adventurous Tracker
- Growth Tracker
- Balanced Tracker
- Ethical Managed

Annuity Target

- Universal Balanced Collection
- Adventurous Tracker
- Growth Tracker
- Balanced Tracker

Cash Target

- Growth Tracker

We review our workplace range of funds regularly to keep up-to-date with changing legislation and customer needs. We may change them if we believe it's in the best interests of investors.

Find out more about our Workplace Target funds on our website.

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