

For financial advisers only

# Your guide to Aegon Retirement Choices



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When reading this guide it's important to remember the following:

- The value of an investment can fall as well as rise and isn't guaranteed. Your client could get back less than they invest. There's no guarantee that fund objectives will be met.
- This information is based on our understanding of current taxation law and HMRC practice, which may change. The value of any tax relief will depend on individual circumstances.
- This communication is for financial advisers only. It mustn't be distributed to, or relied on by, customers or any other persons.

# Introducing Aegon Retirement Choices (ARC)

ARC puts you in control of your clients' financial futures. Our platform provides you with the flexibility to manage wealth accumulation, workplace savings and retirement income through one single online solution.

Clients benefit from ARC's flexibility, whether they join through their employer or through their personal adviser. The range of products and investments can adapt with their changing financial needs, as they progress through their working life into retirement.

## Growth, income, or both?

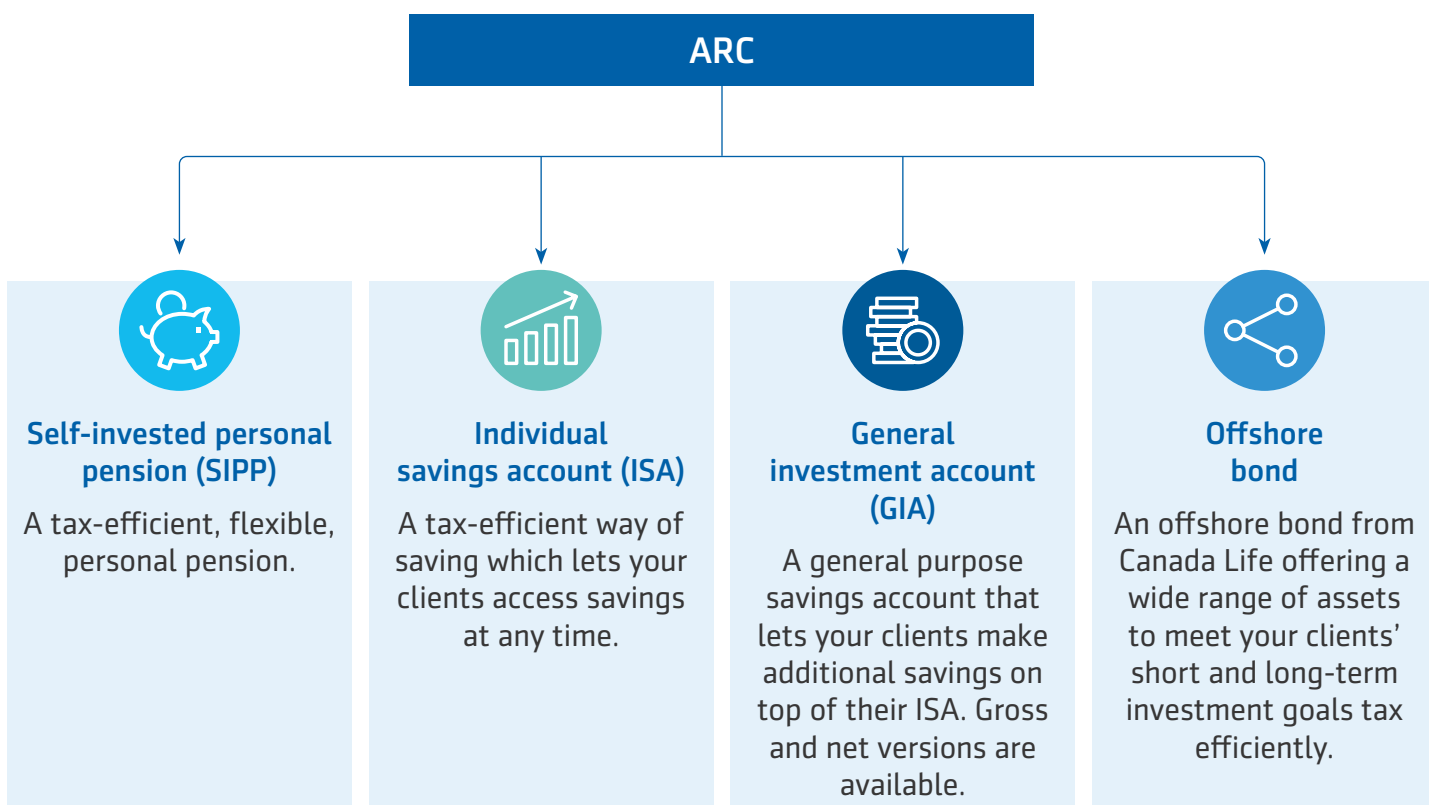
Depending on what stage of life each client is at, they'll have different requirements.

ARC has options for clients looking for growth, income, or both. It offers a full range of services and solutions, and helps you provide the type of service your clients expect.



# Grow savings using our product wrappers

Our product wrappers give your clients lots of ways to save for their future.



## ARC client access

Our unique gating system lets you agree a level of access with your client that suits their needs, from no or view-only access, to trading access. The most complex products and investments are only available through you. You can find out how gating works on page 12.



## SIPP

Our SIPP offers:

- A tax-efficient savings and income solution – clients can accumulate savings and take an income as and when it's needed.
- Pre-funded tax relief – clients won't need to wait for tax relief to be paid, as we'll automatically pay any tax relief due.
- Access to over 5000 investment options (as at December 2022).



## ISA

For clients who want a tax-efficient way to grow their savings, our ISA could fit the bill. Our stocks and shares ISA comes with a wide range of allowable investments, and is free of capital gains tax (CGT). Although the investment has no fixed term, your client should be prepared to hold the investment for at least five years, ideally longer.



## GIA

The GIA is our non-tax-wrapped account. Your clients can hold a wide variety of investments with no upper limit on how much they can invest. Although the investment has no fixed term, your client should be prepared to hold the investment for at least five years, ideally longer.



## Offshore bond

ARC lets your clients invest in an offshore bond from Canada Life. It offers a virtually tax-free way to grow an investment and gives your clients control over when they access their money, how much tax they pay and when.

## Cash facility

We'll set up a separate cash facility for each product wrapper your client invests in. This makes it easy to keep track of any outgoings and incoming payments under each wrapper. There normally needs to be a minimum cash balance of 0.25% of the overall value of the product wrapper in each cash facility.

# Investing for growth

You can use portfolios we've designed to meet specific savings needs and risk appetites, or you can take advantage of our wide range of investment options, building model or bespoke portfolios, or accessing model portfolios from our extensive range of discretionary fund managers (DFMs).

Whatever route you choose, ARC can support your investment recommendations.

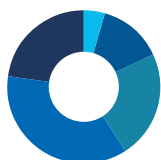
## Our Risk-Managed Portfolios

We aim to provide value through simplicity - keeping fund design simple and only adding cost where we believe it can achieve better customer outcomes. By providing single-fund solutions that clients can understand, we aim to make your job easier.

- ✓ A balance between risk and long-term growth potential.
- ✓ Options across the risk spectrum.
- ✓ For pension, ISA and GIA investors.
- ✓ Over 35 years of multi-asset investment experience.
- ✓ Built-in governance, and expert asset allocation input from industry-recognised specialists, Aon.

We offer six value-focused Risk-Managed Portfolios which allows you to access a complete portfolio of investments in a single fund.

Choosing and governing investments can be costly and time consuming. Our growth solutions take care of asset allocation, fund selection, risk management and ongoing governance.



Risk-Managed Portfolios

| Aim                       | Keep costs low |
|---------------------------|----------------|
| Multi-wrapper             | ✓              |
| Long-term risk management | ✓              |
| Mainly passive components | ✓              |
| Funds available           | 6              |

You can find out more about these funds at [aegon.co.uk/multi-asset](https://aegon.co.uk/multi-asset)

There's no guarantee that fund objectives will be met. The value of an investment can fall as well as rise and isn't guaranteed. Your client could get back less than they invest.

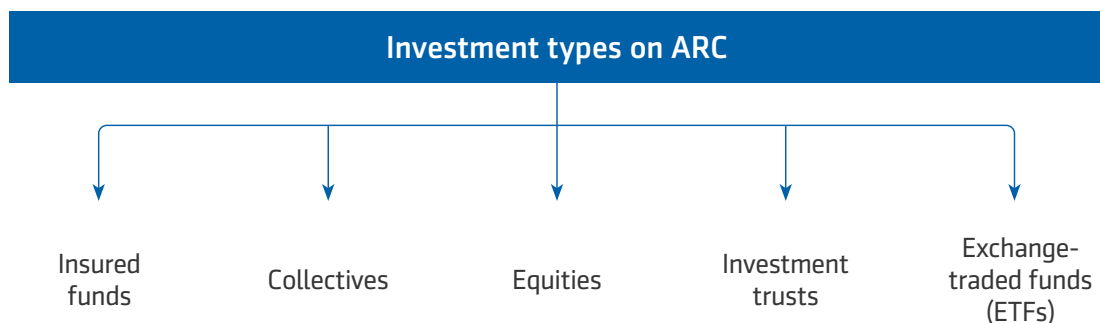
## Building portfolios

Where more bespoke solutions are needed we offer:

- ✓ Over 5000 investment options (as at December 2022), with many available across our SIPP, ISA and GIA products.
- ✓ Model-portfolio tools and functionality so you can create a scalable investment offering.
- ✓ Access to a wide range of DFMs if you want to outsource.
- ✓ Over 200 funds with an environmental, social and governance (ESG) focus (as at June 2023).

## Wide fund range

With many investments to choose from, you can create comprehensive investment strategies to suit your clients.



## Portfolio building support

To help you make the most of our extensive investment range, ARC also offers support in building investment portfolios. This helps you create and monitor strategies that meet client needs while making sure your business processes remain efficient.

This includes:

- **Online model portfolio building**, so you can build efficient, scalable investment propositions that only your clients can access.
- **Automated rebalancing**, reducing the need for manual intervention.
- **Portfolio management and monitoring tools**, so you can keep track of your portfolios easily.

## Access to DFMs

Alternatively, you may want to outsource portfolio building to dedicated investment specialists, who have the research and governance capabilities to build and maintain effective investment portfolios that meet Financial Conduct Authority (FCA) requirements.

Investment permissions are granted to the DFM at the start, so they're able to provide timely investment management without the need for client confirmation when they make a change.

You can access a number of model portfolios from a range of DFMs on ARC. Our online services allows you to separate out client payments to adviser and DFMs and also makes administration easier.

This efficient access to specialist expertise may particularly appeal to wealthier clients. You can get more information about DFMs at [aegon.co.uk/arc/dfms](https://aegon.co.uk/arc/dfms)

## Funds for workplace schemes

ARC offers governed default options plus ready-made fund solutions that encourage employees to make their own decisions. Aegon has made a commitment to achieve net zero carbon emissions across its entire default fund range by 2050 and to halve emissions by 2030.

### Workplace Target fund range

Our in-house default fund aims to grow savings in the early years then prepare scheme members for retirement by moving to a more cautious asset mix. It's designed to keep their options open and can be used up to retirement and beyond. This is particularly useful where employees are likely to remain invested after retirement as it offers the opportunity for continued growth and aims to support a modest income. We've already started the process of moving assets into environmental, social and governance (ESG) strategies, with around 75% in ESG for younger members (as at June 2023). You can get updates on our progress towards our target in the [fund update](#) section of our website.

Our Workplace Target range offers 10 alternative default funds for schemes who want to select an investment strategy that matches their members' risk profile or targets a particular retirement outcome, flexible, annuity or cash. All of these options offer employers comfort that their scheme members' growth and retirement needs will be catered for in one fund.

We've designed the range in response to changing investment patterns and pension freedoms legislation. Following the rule changes, scheme members have more choice than ever before about how they take an income in retirement.



#### Growth stage



#### Retirement target stage

| Funds                         | Stay-invested | Flexible | Annuity | Cash |
|-------------------------------|---------------|----------|---------|------|
| Aegon Workplace Default       | ✓             |          |         |      |
| Adventurous Tracker           |               | ✓        | ✓       |      |
| Growth Tracker                |               | ✓        | ✓       | ✓    |
| Balanced Tracker              |               | ✓        | ✓       |      |
| Universal Balanced Collection |               | ✓        | ✓       |      |
| Ethical Managed               |               | ✓        |         |      |

### Encourage employee engagement

Of course, the best way to make sure a fund meets member's needs is for them to choose it themselves.

We make it easy for scheme members to choose funds, offering straightforward investments that make fund selection easier. Or, more confident members can build their own portfolios from ARC's extensive range of investment options.

Find out more about our funds for workplace investors at [aegon.co.uk/workplaceinvestments](https://aegon.co.uk/workplaceinvestments)



## Fund Governance Group

We're dedicated to making sure all the funds in our growth solutions and workplace default range, along with all the funds in our insured range are able to meet their commitments.

Our rigorous fund governance is underpinned by our Funds Promise. The Fund Governance Group (FGG) stands in place of the customer to check long-term performance is in line with objectives and that mandates are run in line with expectations.



Fund  
monitoring



Portfolio  
changes



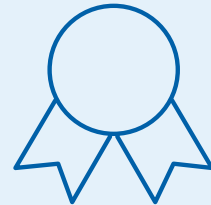
Fund range  
changes



Default fund  
governance

### Our Funds Promise

- We aim to offer high quality funds which meet their objectives.
- We monitor funds to check if they perform as expected.
- We take action if funds don't meet expectations.
- We give you the facts you need to make decisions.



The value of an investment can fall as well as rise and isn't guaranteed. Your client could get back less than they invest.

You can find out more about how we govern our funds online at [aegon.co.uk/fundgovernance](https://aegon.co.uk/fundgovernance)

# Investing in retirement

Following pension freedoms, a growing number of clients are likely to stay invested in retirement. If they choose to do so – by opting for flexi-access drawdown – ARC's investment options can help them achieve the income they need.

## Flexi-access drawdown

Flexi-access drawdown generally offers more flexibility than an annuity. But, clients will need to take on some investment risk, and the value of their savings could fall as well as rise.

We offer two pre-built portfolios that are designed for those taking an income from their savings.

### Aegon Diversified Monthly Income fund

- Aims to generate returns through a combination of income and capital growth.
- Flexible strategy using a diversified mix of asset classes to pursue the most attractive sources of income globally.

Learn more about the [Aegon Diversified Monthly Income fund](#)

### Aegon Stability fund

- Aims to preserve existing savings and deliver positive returns.
- Targets steady growth with limited volatility. Designed for cautious investors.

Learn more about [Aegon Stability fund](#)

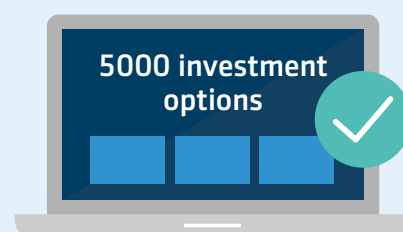
The value of an investment, and any income taken from it, can fall as well as rise and isn't guaranteed. Your clients could get back less than has been paid in.

## Choose from a wider investment range

We offer a wide range of investment options, including many designed specifically for retiring or retired investors. This means you can choose or build investment portfolios that exactly meet each client's needs.

What's more, our online tools help you navigate the options available, and build and monitor portfolios efficiently. Alternatively, you can access the specialist investment expertise of DFMs.

You can browse the range of investment options on offer at [aegon.co.uk/arc/investmentoptions](https://aegon.co.uk/arc/investmentoptions)



# Retirement income options

Your clients can start to take their pension benefits from age 55 (increasing to age 57 from 6 April 2028). They may be able to take benefits earlier than this if they're in ill health, or if they have a protected low pension age that continues to apply under their ARC account.

There's a number of ways your clients can take their benefits. The table below lists the three main ways they can take their benefits.

|                            | Cash lump sum  | Annuity  | Flexi-access drawdown - including drip-feed drawdown                                   |
|----------------------------|--|--|--|
|                            | Client cashes in their retirement savings – 25% is tax free with tax payable on the remaining 75% <sup>1</sup> | Guarantees an income for life but with limited flexibility | Provides an income while the client remains invested but their income isn't guaranteed |
| Guaranteed income for life | ✗  | ✓  | ✗  |
| Pass savings to loved ones | ✓  | Extra cost   | ✓  |
| Make changes if needed     | ✓  | ✗  | ✓  |
| Growth potential           | ✓  | Extra cost   | ✓  |

<sup>1</sup> The amount of tax-free cash available may vary depending on circumstances and any guarantees previously secured.

As annuity rates can change substantially and rapidly, there's no guarantee that when your client purchases an annuity the rates will be favourable. This could mean that your clients' pension may be less than they hoped for.

For flexi-access drawdown, the level of income isn't guaranteed. Drawing income will reduce the value of their account. They may need to reduce their drawdown income in the future, in particular if investment performance isn't sufficient, or they live to a greater age than originally anticipated.

Your clients can choose to take their benefits using drip-feed drawdown – an automated, tax-efficient way for your clients to take their pension income. Explore [drip-feed drawdown](#) on ARC and read our [case study](#) to see how drip-feed drawdown can help your clients maximise their pension income.

# Controlled access – making it easier to plan for the future

The online self-serve access through ARC has been designed to make it easy for your clients and employees of workplace schemes to use.

## Online access for your clients

To help protect your clients, you have control over the online access that they have. There are three levels of access that you can choose to give to your clients, depending on the proposition and services that you're offering to them.

**No online access** – this satisfies the client who wants you to take complete control of all their investment decisions.

**View access** – view-only access allows your clients to see information but not transact, allowing them to access their own valuations and online statements.

**Self-serve access** – with full online access your clients will be able to carry out their own transactions online, such as making their own contributions and switching their investments.

## Online access for employees

All members of a workplace savings scheme are provided with access to Retiready, our free digital planning service. To make changes to their retirement savings or access additional investments and products, employees can self serve using their ARC account.

## Managing self service

To make it easy for clients and members of workplace schemes to control their own choices in line with their level of financial confidence, we've developed a unique feature called gating. We've split ARC's wide range of savings and investments into four different levels, or gates, with each gate offering progressively more choice.

They'll be able to move up to another gate through their self-service online account. Before choosing to open a new gate, they'll be able to see which additional investments and product wrappers they'll be able to access, and will need to accept a declaration before actively choosing to move. You should note that once a client moves into a new gate, they can't move back.



Gate 1 provides access to:

- Transact on their SIPP.
- Invest in:
- Insured funds only.



Gate 2 provides access to everything in gate 1 and:

- Buy and transact on their GIA or ISA.
- Invest in:
- Collectives.



Gate 3 provides access everything in gate 1 and 2 and:

- Open a new SIPP.
- Invest in:
- Equities.

Other investments, including investment trusts and ETFs, are defined as complex – these are available through ARC in Gate 4. Only financial advisers can access these.

# Tools to help you and your clients

We provide a range of tools to help you with research and asset selection to complement and enhance your service proposition. ARC also has a range of planning tools which you can use with your clients to help them plan for all stages of their lives.

## Asset selection and research tools

- **Asset selector** – search for all funds, based on manager and sector. You'll see all the investments matching your search criteria plus links to fund factsheets and charting tools for each investment.
- **Fund charting** – the same fund charting capability as above, but you can see multiple funds at the same time.
- **Portfolio scanner** – create a virtual portfolio from the asset selection shortlist. Then choose a sector (for example, ABI Smaller Companies), or index to benchmark it against.
- **Portfolio performance review** – looks at the performance of a client's portfolio taking into account actual cash flow, and works out the rate of return earned. It's designed to answer the question 'How has my money done?' and can measure the success of switching strategies.
- **CGT reporting tool for GIAs** – gives you the information needed to manage a client's CGT liabilities. This makes it easy to track profit and loss and manage potential CGT liabilities. You can also use our scenario planner to check the CGT impact before placing a trade.

## Financial wellbeing hub

Financial wellbeing is how people feel about the control they have over their financial future and their relationship with money. It's about focusing on the things that make their life enjoyable and meaningful – both now and in retirement.

At Aegon, we believe getting more people to access financial advice will improve their financial wellbeing. And our role is to help you encourage your clients to plan for their futures – whatever that may bring.

Visit our [financial wellbeing](#) to find our latest research, guidance and support helping you to identify new advice opportunities. You can also try our financial wellbeing tool with your clients to help them identify areas of their financial wellbeing you can work on together.

## Client planning tools

Members of workplace schemes and clients have access to a range of online planning tools to help them plan, save and budget for their future.

Your [Retirement Planner](#), our dedicated site that allows your clients to review the different options available to them at retirement, includes:

- **Retirement needs calculator** – enter details of essentials, desirables and luxuries to see the level of income they'll need in retirement to cover these expenses.
- **Retirement income planner** – clients can compare what they've saved with what they'll need, and review the different options available to them in retirement.

## Employee tools – Retiready

We provide all members in a workplace savings scheme with access to Retiready, our free digital planning service. Members can view their investments and use a number of retirement planning tools:

- **Score** – members can check they're on track for retirement.
- **Goal planner** – create goals and set a plan to achieve the retirement they want.
- **Coach** – guides, prompts and informs employees on their retirement journey.

To make changes to their retirement savings or access additional investments and products, members can self serve using their ARC account.

# A straightforward charging structure

ARC's charges are clear, simple and consistent. So your clients can see exactly what they're paying for. There are three core charges.

| ARC's three core charges   |   |  |
|--|---|--|
| ARC charges  | Investment charges  | Adviser charges  |
| <p>The administration charges that cover the cost of investing through ARC.</p> <ul style="list-style-type: none"><li>• No initial platform charges.</li><li>• One consistent charge shape across all product wrappers.</li><li>• A tiered yearly charge, with no yearly charge payable on the value of any assets above £250,000.</li></ul> | <p>These charges cover the cost of managing investments and checking they're performing as expected.</p> <p>They'll vary depending on the investments chosen. The fund charge is sometimes called the ongoing charges figure (OCF).</p> | <p>Adviser charges for advice, based on the agreement between you and your client.</p> |

For detailed information on charges, take a look at the [ARC charges guide](#).  
For workplace charges, go to [aegon.co.uk/charges-to-workplace](https://aegon.co.uk/charges-to-workplace)



# Support to streamline operations

As well as access to flexible product wrappers, and a wide range of investments and tools, ARC also gives additional functionality to help improve business efficiency.

## Fast, accurate processing

Straight-through processing for applications and transactions reduces the potential for errors and gives you a smooth, quick and accurate service. So you have more time to concentrate on your clients.

You can do most transactions online, including:

- Generating client-specific illustrations.
- Submitting online applications for new business.
- Online trading.
- Topping up existing wrappers.
- Recording off-platform assets and wrappers.
- Setting up withdrawals.

## Management information

You can access an extensive range of online reports from Report Zone and see information on your clients, transactions and charges.

## Statements and documentation

All the transactions and any documents you make will be stored on ARC. So you can see and print statements and contract notes at any time. You can also choose to give your clients access to look at their portfolio online. They'd be able to see portfolio valuations, wrapper details, reports, statements and illustrations. We send your clients contract notes, and we issue statements at least once a year, but normally quarterly or half-yearly as appropriate.

## SmartEnrol – making auto-enrolment easy

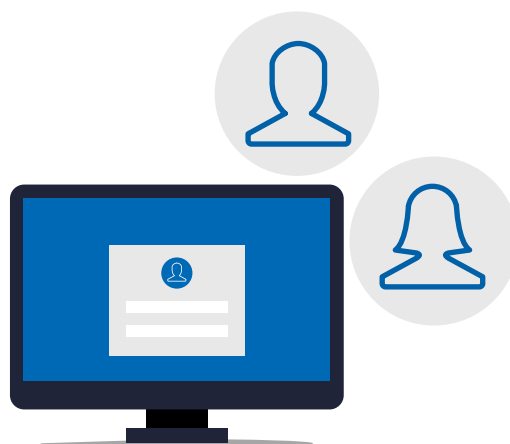
SmartEnrol is designed to help you and your corporate clients – from communicating with members to managing payments.

Employers can use it at no additional cost. It's a straightforward, hassle-free solution to manage the extra responsibilities that come with auto-enrolment.

SmartEnrol:

- Takes payroll information, analyses the workforce and determines the categories of employees.
- Provides the communications with employees that employers are legally obliged to give them.
- Manages and monitors the opt-in and opt-out processes.
- Fulfils employer reporting requirements to the Pensions Regulator by generating management information.
- Acts as the administration system to manage future re-enrolments.

We can also work with third- party auto-enrolment hubs.



# Supporting you

We make embedding ARC simple and straightforward – and we're there to help whenever you need us.

## Support to get you started

Our regionally based Regional Account Managers and Platform Consultants are here to help you while you embed ARC into your business.

- Your **Regional Account Manager** will help you with all aspects of the ARC proposition. They'll work with you to understand your business objectives and help make sure your goals will be met by ARC.
- Your dedicated **Platform Consultant** will be on hand to help you embed the platform into your business, supporting you along the journey with initial and ongoing training and support.

## Scheme adviser support

We'll help you use ARC to deliver tailored workplace solutions to your corporate clients.

We have a range of material to help you engage with employers and sign up a scheme.

We'll be on hand to answer any questions throughout the scheme tender process. When ARC is being implemented into the employer's business we'll make sure they have the training and support they need.

## Support and contact

Visit [aegon.co.uk/support](https://aegon.co.uk/support) to find our online ARC library, training support material, FAQs and the best way to get in touch if you need to speak to us.





# Why Aegon?

We're one of the UK's largest providers of life insurance, pensions and asset management, with over 4 million customers and over GBP 186 billion assets under administration (as at December 2022). As part of Aegon N.V., we benefit from global strength combined with our experience and deep understanding of the UK market.

We use our insight and expertise to offer long-term savings and retirement solutions, workplace savings propositions and protection solutions to help your clients get closer to their financial goals.

We're dedicated to working in partnership with you and your business, championing the value of your advice and providing insight and support to help you navigate uncertain times.

To find out more visit [aegon.co.uk/advisers](https://aegon.co.uk/advisers)



## Contact us

For more information about ARC, please get in touch with your usual Aegon contact or visit [aegon.co.uk/support](https://aegon.co.uk/support)

[aegon.co.uk](https://aegon.co.uk)

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