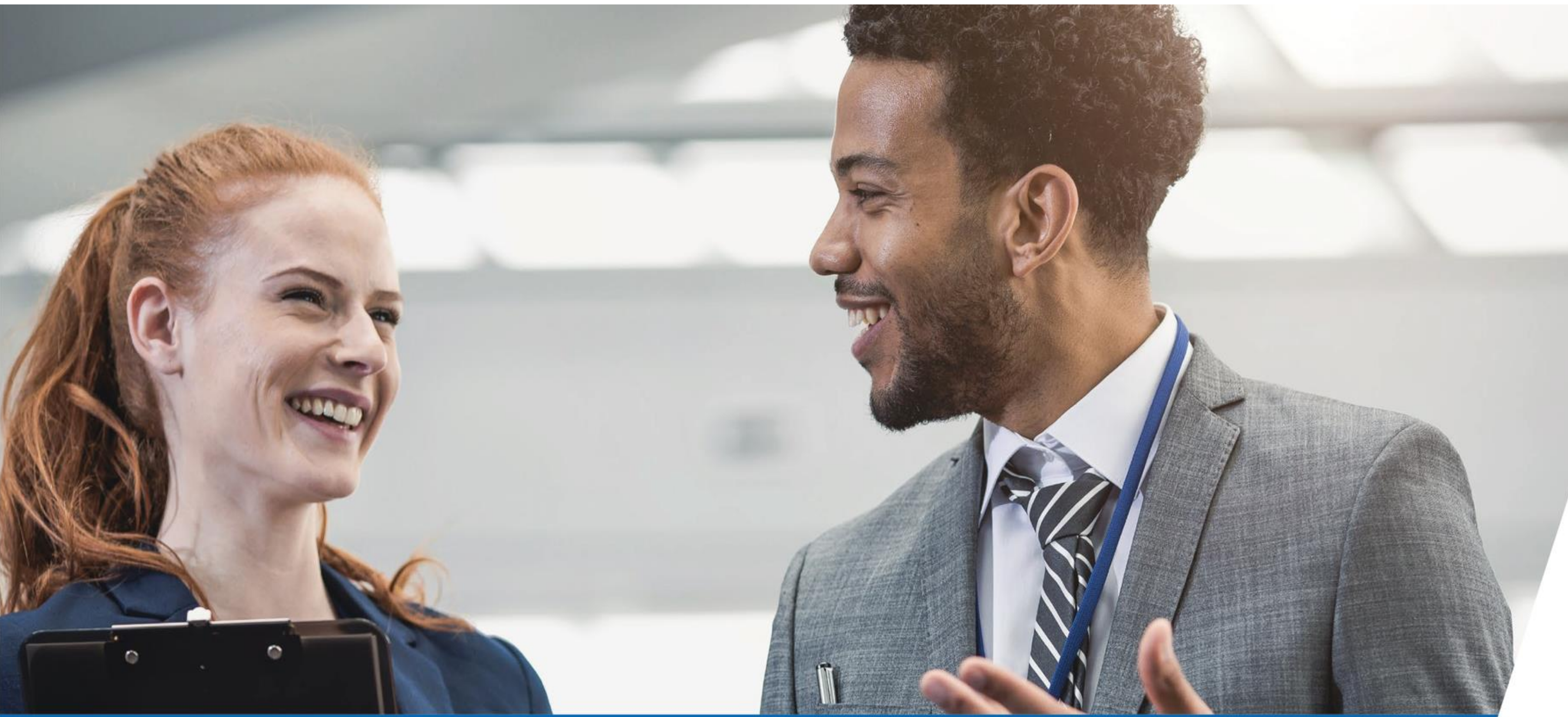
For adviser and employer use only

Workplace Target fund range performance report

Covering quarter four 2023

Contents



This communication is for financial advisers, scheme trustees and employers only and shouldn't be distributed to, or relied upon by customers or any other persons.

Introduction

This document details the key drivers of world markets in the most recent quarter and goes on to report on our Workplace Target fund range available via Aegon Retirement Choices (ARC).

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 and are not guaranteed. Investors could get back less than they invest.

This information is for financial advisers, scheme trustees and employers only and shouldn’t be distributed to, or relied upon, by customers or any other persons.

The information in this document 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.

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

Our climate roadmap

We have committed to transitioning our workplace default funds to net-zero greenhouse gas 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 £500M 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 net-zero commitment covers our scope 1 and 2 emissions.

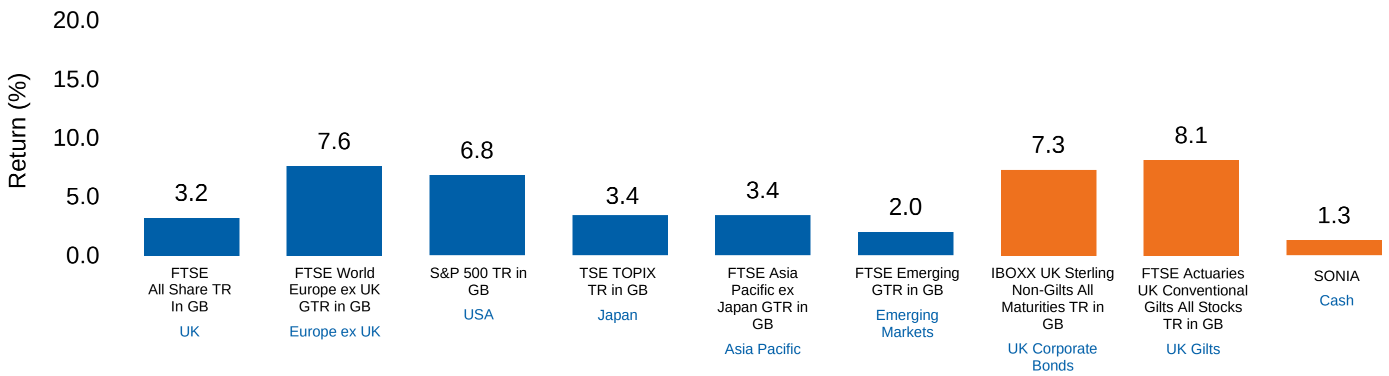
**Our target setting and methodologies are guided by the Paris Aligned Investment Initiative Net Zero Investment Framework 1.0. We monitor them annually and review them at least every two years. The targets might change as new data and information become available. Short- and medium-term emissions targets 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 four 2023

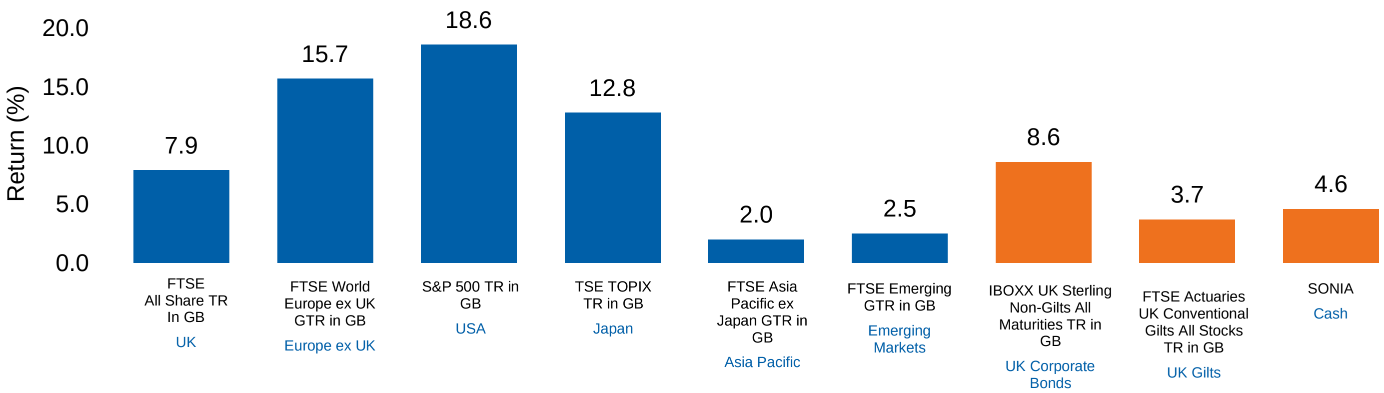
The fourth quarter of 2023 saw positive performance from most main global equity and bond markets despite a difficult start to the period. Improving US economic news and falling global inflation raised hopes that inflation may continue to fall, and that central banks might start cutting interest rates in 2024. **European** equities led performance, followed by **US** equities as the region experienced its strongest quarter in terms of economic growth since the end of 2021. **Japanese** and **Asia Pacific** equities also rose over the period. **UK** equities were positive with the region experiencing some economic growth and headline inflation falling in November. **Emerging Market** equities made gains despite continued weakness in China, as the country's economic news remained underwhelming.

Meanwhile, in **Fixed Income**, **UK government bonds** (gilts) and **UK corporate bonds** made gains over the quarter as most major central banks chose to leave interest rates unchanged as inflation eased. Investor expectations of lower interest rates in 2024 started to rise on the back of falling inflation. Cash also rose over the period.



Major market performance over 12 months

Global equities were mostly positive over 2023, with double digit returns in Sterling terms for European, Japanese and US markets. This was led by **US equities** as inflation continued to fall and the technology sector outperformed, which supported growth in the region. **European** equities performed well as inflation fell over the year. **Japanese** equities also rose, as the country's inflation rate fell, and growth was stronger than anticipated. **UK** equities were positive, with historic growth data from the Office for National Statistics (ONS) measuring the UK economy as larger than its pre-pandemic level. **Emerging Markets** and **Asia Pacific** equities were positive but muted in part due to continued concerns around China's slowing economy weighing on investor sentiment. Despite declines in the first half of the year, in **Fixed Income**, **UK corporate bonds** and **UK government bonds** were positive, with corporate bonds outperforming government bonds as inflation remained stubborn, affecting government bond returns. **Cash** produced a positive return over the period.



Source: FE fundinfo, produced by Aegon. Charts compiled using total return indices to 31 December 2023. 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 four

In the **UK**, data released over the period showed the economy expanded by 0.3% on an annualised basis during the third quarter of 2023. Inflation fell sharply to 3.9% towards the end of the fourth quarter and the Bank of England voted to keep interest rates on hold at 5.25% in December, though it was not unanimous with three members of its Monetary Policy Committee (MPC) voting for an increase despite the fall in inflation. The Office for National Statistics (ONS) suspended some releases about the labour market over concerns around low survey response rates and the quality of some economic data.

In the **US**, data released over the period showed the US economy expanded by 4.9% on an annualised basis in the third quarter of 2023, marking the strongest growth for the region since Q4 2021. The Federal Reserve, the country's central bank, maintained interest rates at 5.25-5.5% in December. The Core Personal Consumption Expenditures (PCE) index (which excludes food and energy costs), a measure of inflation preferred by the Federal Reserve, fell to 3.2% in November. The quarter was dominated by a potential US government shutdown due to disagreements around discretionary spending for the upcoming fiscal year. A stop gap bill was passed, extending some key funding to early 2024 and avoiding a shutdown.

In **Europe**, data released revealed the economy contracted by -0.1% in the third quarter of 2023, marking a reversal from Q2 2023 and the first decline in growth for the region since the final quarter of 2022. The European Central Bank (ECB) held interest rates at a 22-year high of 4.5% throughout the period, in an effort to combat high inflation. Annual inflation did fall more than expected to 2.4% in November however it remains above the ECB's target of 2%.

In **Japan**, data released over the period showed the Japanese economy expanded by 1.5% on an annualised basis in Q3 2023. Inflation declined to 2.8% in November, the lowest level since July 2022. In December the Bank of Japan held interest rates at -0.1% and kept its Yield Control Policy in place. The Japanese Yen benefitted from a weaker US dollar and rallied amid expectations of further adjustments to central bank policy. The labour market remained healthy with unemployment staying at 2.5% in November 2023.

In **Asia Pacific** regions, positive returns were seen in all main markets with the exception of China where concerns continued over economic growth, the effectiveness of stimulus measures on the economy and a slump in the property sector. A renewed interest in technology stocks benefitted Taiwan and South Korea. Equities gained in the region over the quarter due to increased investor risk appetite amid hopes that the United States had hit peak interest rates.

Emerging Markets saw strong performance over the quarter supported by increased expectations of interest rate cuts in the US and a weakening of the US dollar. Within the region, Mexico benefitted from increased exports to the US and strong consumer spending. In Brazil, the central bank decreased interest rates by 0.5% twice as inflation eased. Elsewhere, in Poland, markets reacted positively to the election of EU-friendly Prime Minister Donald Tusk.

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 as inflation eased. UK government bonds outperformed UK corporate bonds during the period with positive returns across most bond markets supported by an expectation of rates cuts in 2024.

Source: Aegon UK Portfolio Management team, January 2024

Workplace Target range – overview

Three ways to prepare savings for retirement

All the Workplace Target funds use a two-stage investment strategy that aims to grow savings in the early years (the growth stage), then prepare savings for retirement in the final six years (the retirement target stage). The range offers three retirement target approaches – Flexible Target, Annuity Target, and Cash Target – which reflect the mix of retirement income options open to savers in the wake of pension freedoms.

The Flexible Target approach moves assets into a cautious multi-asset mix as investors approach retirement, with approximately 26% equity, 49% fixed interest, and 25% cash on retirement. We've designed this approach for investors and schemes seeking to take advantage of the greater flexibility offered by the pension freedoms. It's designed to offer a balance between risk and returns to suit those approaching retirement.

The Annuity Target strategy is designed for schemes who believe most employees will buy an annuity on retirement. These funds move savers into 75% long gilts and 25% cash on retirement.

Finally, the Cash Target strategy is designed for savers who plan to cash-in their savings on retirement. This is aimed at schemes where most members have very small pots or are likely to use other sources to create their retirement income (for example those who also have defined benefit pension income). It moves savers fully into cash on retirement.

What's in the Workplace Target range?

The Workplace Target fund range broadens choice for employers and scheme members and each fund type offers one or more glidepath option, targeting flexibility, annuity, or cash on retirement.

Fund (Fund charge)	Flexible Target	Annuity Target	Cash Target
Balanced Tracker (0.05%)	✓	✓	-
Growth Tracker (0.06%)	✓	✓	✓
Adventurous Tracker (0.05%)	✓	✓	-
Universal Balanced Collection (0.12%)	✓	✓	-
Ethical Managed (0.39%)	✓	-	-

Fund charge as at 31 December 2023, a platform charge will also apply.

The strategies are primarily designed for those workplace investors who do not make an active investment choice or receive advice. Schemes can also use our in-house default fund (see page 10).

We'll continue to offer our existing range of lifestyle funds for workplace investors.

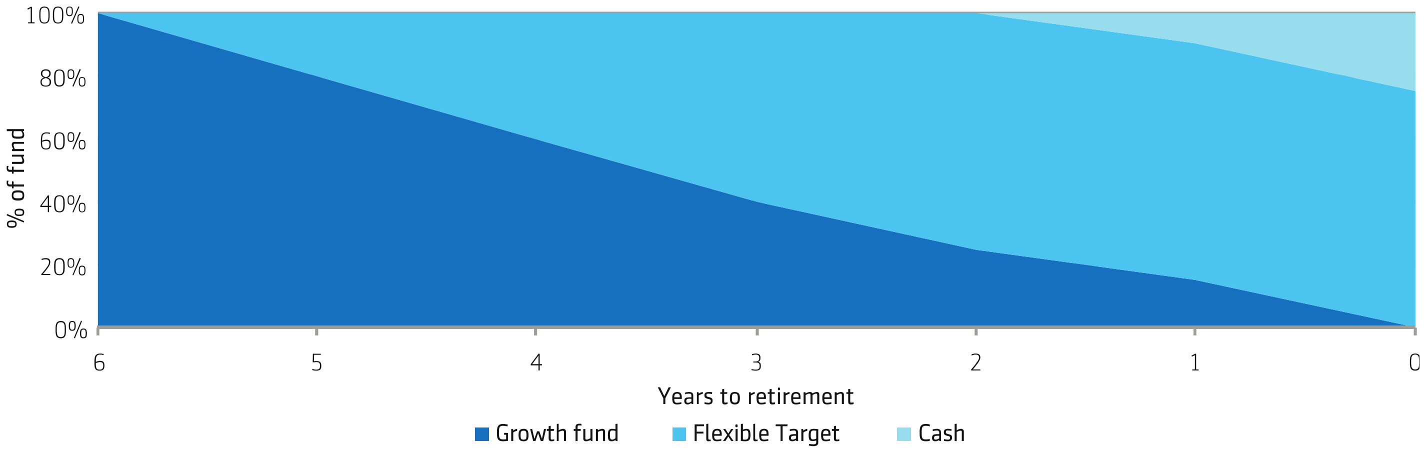
For more information, please see our website at aegon.co.uk/employer

Our retirement target approaches

Our Workplace Target funds are designed for use as scheme default funds. The information below details how each of our retirement target approaches changes as investors near retirement. We review our Workplace Target funds regularly and may change them if we believe it's in the best interest of investors. There's no guarantee the funds will achieve their objectives. Investors may get back less than they invest.

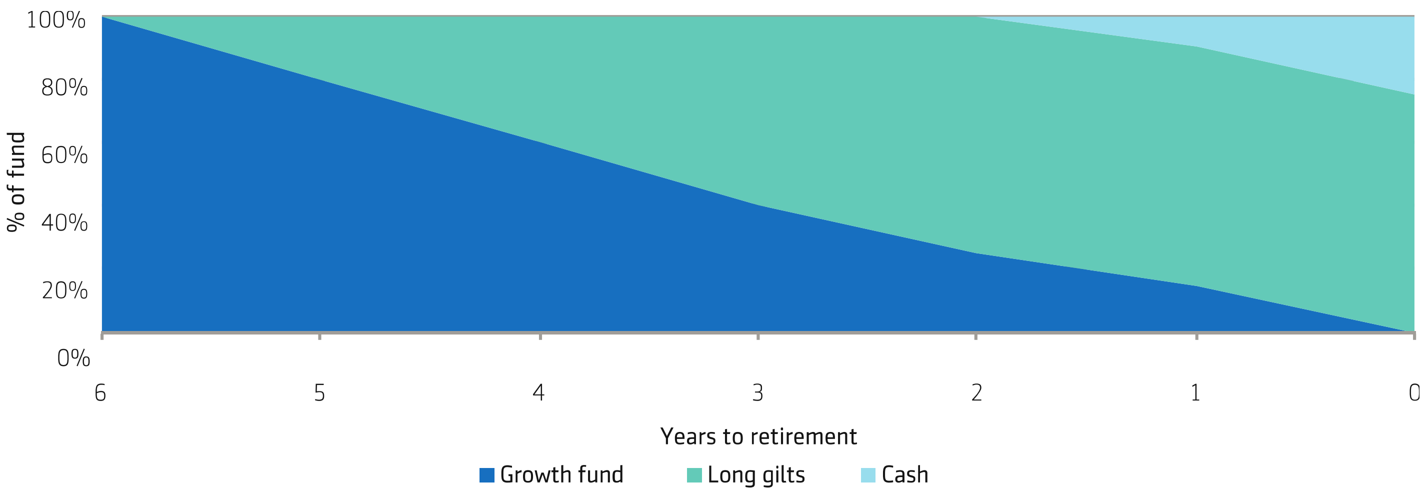
The Flexible Target stage

In the six years before the investor's target retirement year (the Flexible Target stage), we'll progressively move them into less risky investments. We'll also move part of their investment into a cash fund in the final two years to cater for their maximum tax-free cash entitlement, currently 25% of their pension pot.



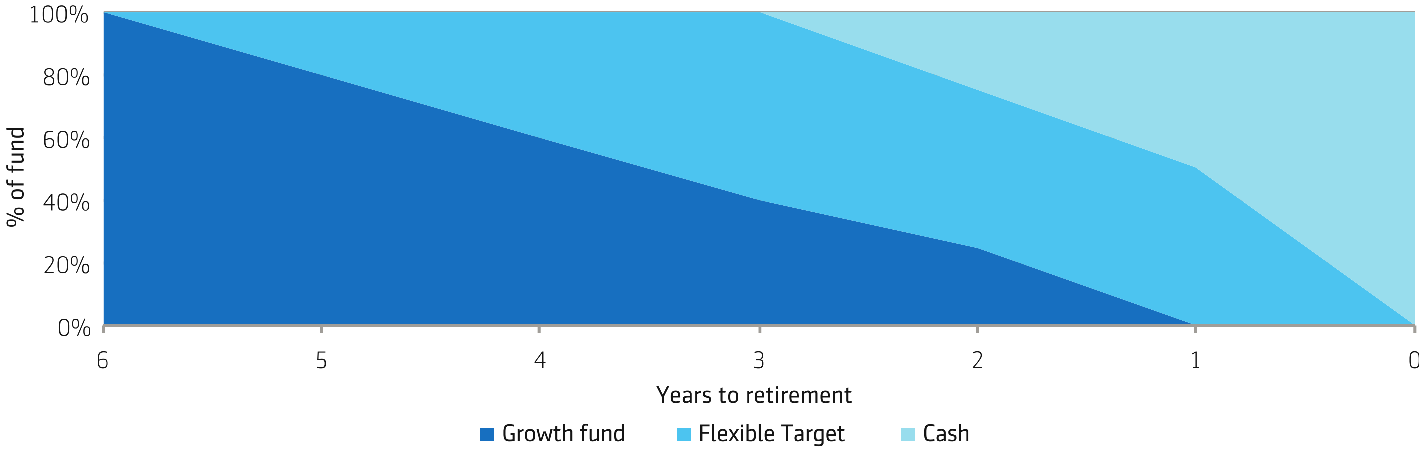
The Annuity Target stage

In the six years before an investor's target retirement year (the Annuity Target stage), we'll progressively move their investments into long gilts and cash with the aim of giving them more certainty about the size of annuity (pension) they'll be able to buy when they retire and to cater for their maximum tax-free cash entitlement, currently 25% of their pension pot.



The Cash Target stage

In the six years before an investor’s target retirement year (the Cash Target stage), we’ll progressively move them into less risky investments and then into cash. On their selected retirement date, the fund will be 100% invested in cash.



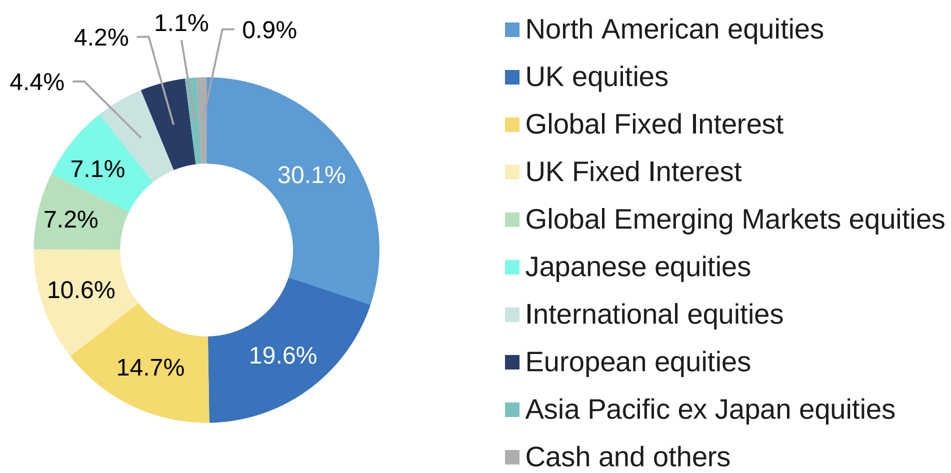
In-house default fund

Aegon Workplace Default (ARC)

This is Aegon's default fund. It is a single solution that adapts to meet employees' changing needs throughout their working life - right up to retirement and beyond. It 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. In the six years before your target retirement year, we'll progressively move you into less risky investments. This process assumes that you'll remain invested at retirement, potentially withdraw some of your fund and keep your options about taking an income open. As this is Aegon's default fund, we reserve the right to make changes to make sure it continues to remain appropriate for use as a scheme default.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



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

We've committed to transitioning all our default funds, including this one, to net-zero greenhouse gas emissions by 2050. 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.

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Workplace Default (ARC)	6.0	10.0	4.8	7.3

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023.

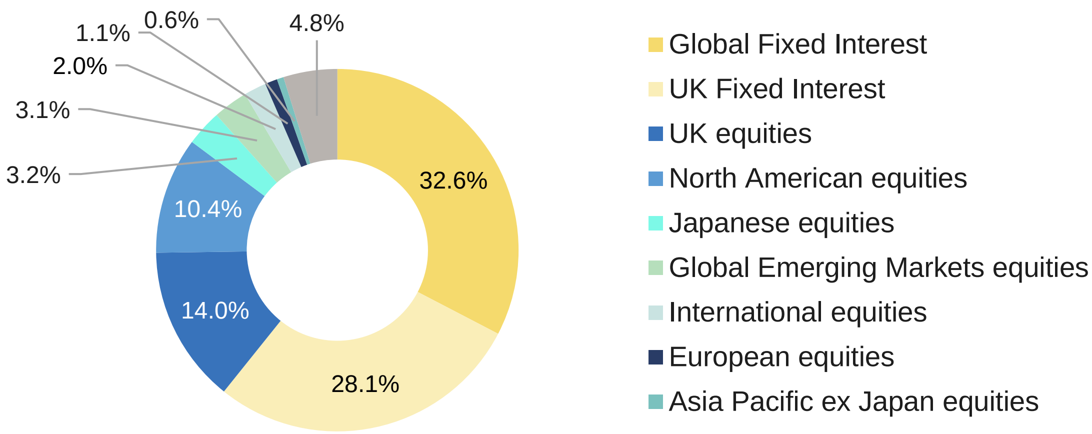
Past performance is not a reliable indicator of future performance. The value of an investment can go down as well as up and isn't guaranteed. Investors could get back less than they invest.

Aegon Workplace Default Retirement fund (ARC)

This fund is designed for those invested in the Aegon Workplace Default fund who have reached their target retirement year and intent to remain invested at retirement to keep their options about taking an income open. They'll automatically be transferred into this fund in their selected retirement year. It aims to keep risk lower than the growth stage and make sure they're not reliant on the success of just one investment type. It does this by investing in a mix of underlying investments (company shares, bonds and cash) and countries. It's designed to track the markets it invests in, so performance should be similar to those markets. This fund is designed as a short-to-medium term investment.

Where the fund invests

The chart below shows where the fund invested on 31 December 2023.



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

We've committed to transitioning all our default funds, including this one, to net-zero greenhouse gas emissions by 2050. 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.

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Workplace Default Retirement (ARC)	6.1	6.9	-0.3	2.8

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023.

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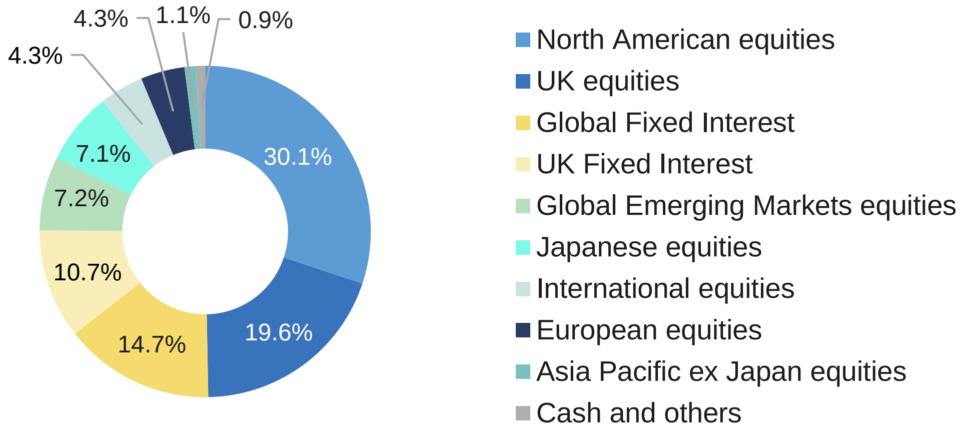
Aegon Default Equity & Bond Lifestyle (ARC)

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. Then, six years before your nominated retirement year, it automatically starts moving into investments better suited to preserving the size of annuity you can buy (the lifestyle stage). It does this by investing increasing amounts into the Long Gilt fund. This process assumes you'll buy an annuity when you retire. In the final two years, we'll also move some of your investment into our Cash fund, to cater for your tax-free cash entitlement. Up until May 2018, this was Aegon's default fund, which meant it was designed for use by company pension schemes. We reserve the right to make changes to make sure this fund continues to remain appropriate for use as a scheme default.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



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

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Default Equity & Bond Lifestyle (ARC)	6.0	9.9	4.8	7.2

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023.

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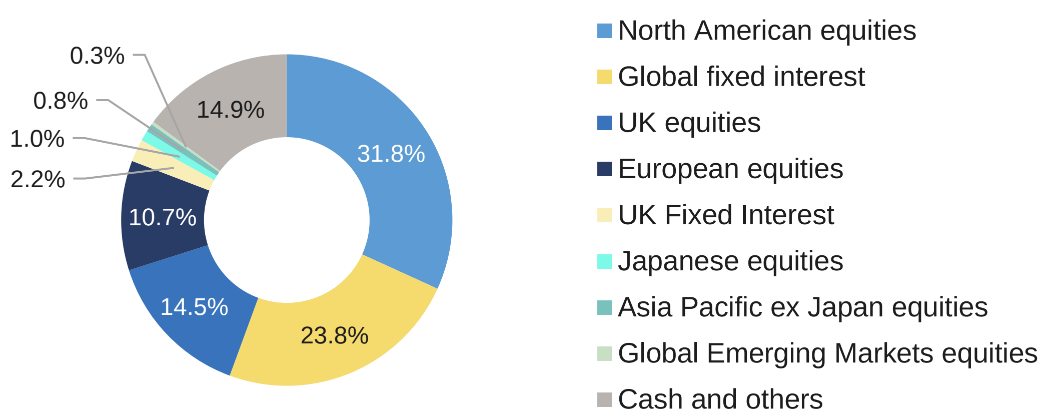
Flexible Target range

Universal Balanced Collection (Flexible Target) fund

This fund is aimed at those who want to keep their options open at retirement. It 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 in a well-diversified mix of international equities with the remainder in bonds and cash. It 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. In the six years before your target retirement year (the flexible target stage), we'll progressively move you into less risky investments. We'll also move part of your investment into cash in the final two years to cater for your maximum tax-free cash entitlement, currently 25% of your pension pot. We review our workplace target funds regularly and may change them if we believe it's in the best interests of investors.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



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

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Universal Balanced Collection (Flexible Target) (ARC)	6.4	11.5	4.0	7.8
Benchmark	5.3	7.9	2.3	5.3

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. This fund is currently measured against the ABI Mixed Investment 40-85% Shares pension sector.

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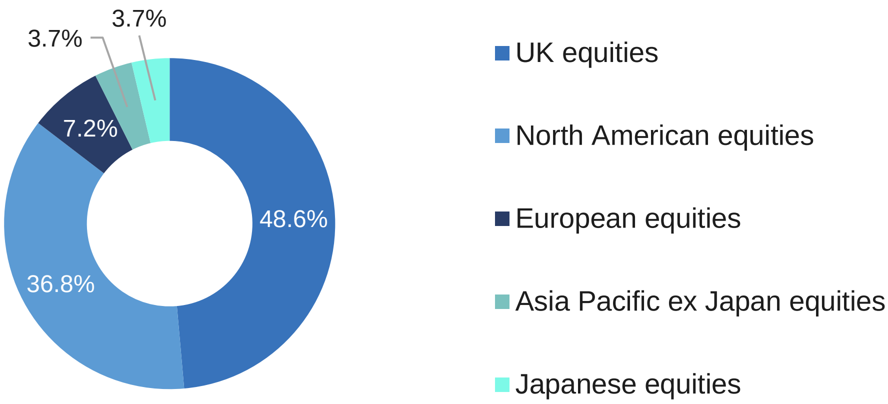
Aegon Adventurous Tracker (Flexible Target) fund

This fund is aimed at those who want to keep their options open at retirement. It uses a two-stage investment process. In the early years (the growth stage) it aims to grow savings over the long term by investing in an equal mix of UK and international equities (company shares). It's designed to track the markets it invests in, so performance should be similar to those markets. In the six years before your target retirement year (the flexible target stage), we'll progressively move you into less risky investments. We'll also move part of your investment into cash in the final two years to cater for your maximum tax-free cash entitlement, currently 25% of your pension pot. We review our workplace target funds regularly and may change them if we believe it's in the best interests of investors.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



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

We've committed to transitioning all our default funds, including this one, to net-zero greenhouse gas emissions by 2050. 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.

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Adventurous Tracker (Flexible Target) (ARC)	5.2	13.1	9.1	10.1
Benchmark	5.1	12.8	9.3	10.0

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. This fund is currently measured against a composite benchmark made up of 50% FTSE All-Share TR / 50% FTSE World ex UK TR.

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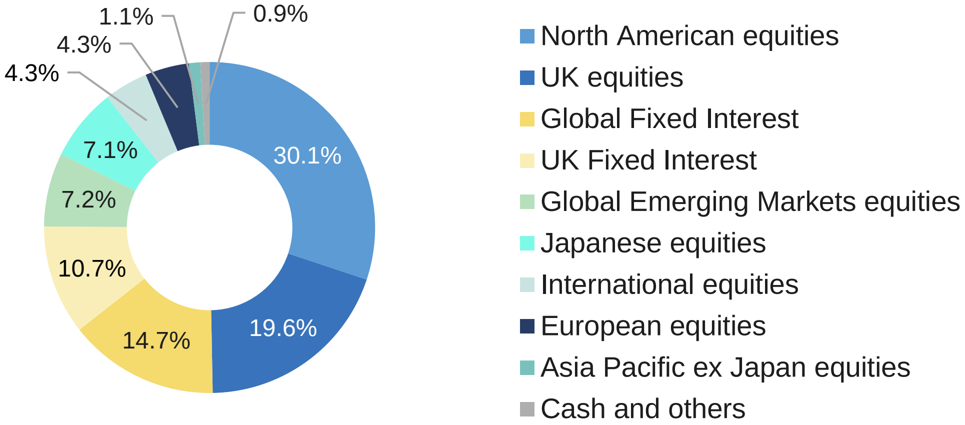
Aegon Growth Tracker (Flexible Target) fund

This fund is aimed at those who want to keep their options open at retirement. It 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. In the six years before your target retirement year (the flexible target stage), we'll progressively move you into less risky investments. We'll also move part of your investment into cash in the final two years to cater for your maximum tax-free cash entitlement, currently 25% of your pension pot. We review our workplace target funds regularly and may change them if we believe it's in the best interests of investors.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



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

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How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Growth Tracker (Flexible Target) (ARC)	6.0	9.9	4.8	7.2
Benchmark	6.0	11.2	4.5	7.6

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. This fund is currently measured against a composite benchmark of the following indices and weights: 20% MSCI UK All Cap / 55% MSCI ACWI ex UK / 8% BBgBarc Sterling Gilts / 2% BBgBarc UK Govt Infl Lkd Bond Float adjusted / 10% BBgBarc Sterling NonGilts / 5% JPM GBI ex UK.

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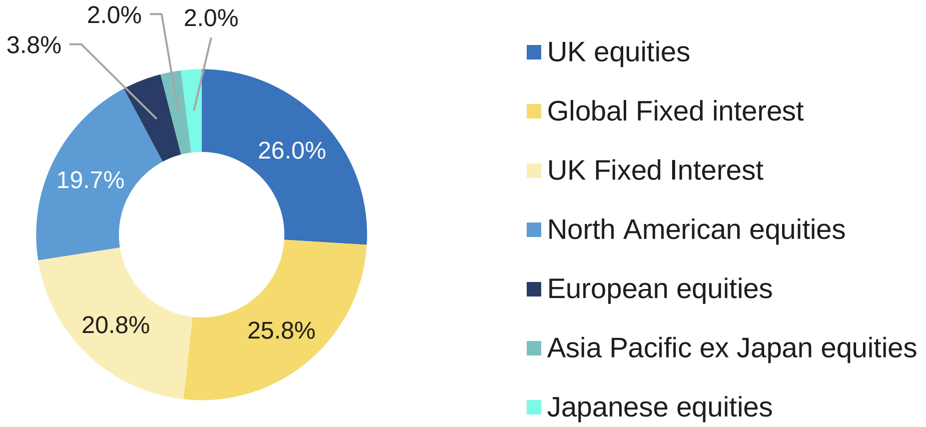
Aegon Balanced Tracker (Flexible Target) fund

This fund is aimed at those who want to keep their options open at retirement. It uses a two-stage investment process. In the early years (the growth stage) it aims to grow savings over the long term by investing in an equal mix of global equities (company shares) and UK bonds (a blend of UK corporate, UK index-linked and conventional government bonds). It's designed to track the markets it invests in, so performance should be similar to those markets. In the six years before your target retirement year (the flexible target stage), we'll progressively move you into less risky investments. We'll also move part of your investment into cash in the final two years to cater for your maximum tax-free cash entitlement, currently 25% of your pension pot. We review our workplace target funds regularly and may change them if we believe it's in the best interests of investors.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding and a cash weighting of -0.1%.

We've committed to transitioning all our default funds, including this one, to net-zero greenhouse gas emissions by 2050. 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.

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Balanced Tracker (Flexible Target) (ARC)	6.4	9.7	1.0	4.6
Benchmark	6.6	9.4	0.8	4.4

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. This fund is currently measured against a composite benchmark of the following indices and weights: 25% FTSE All Share TR / 25% FTSE World ex UK TR / 26.5% Markit iBoxx Non Gilts All Stocks GBP TR / 18% FTSE Gilts All Stocks GBP TR / 5.5% FTSE Index-linked Over 5 Years TR.

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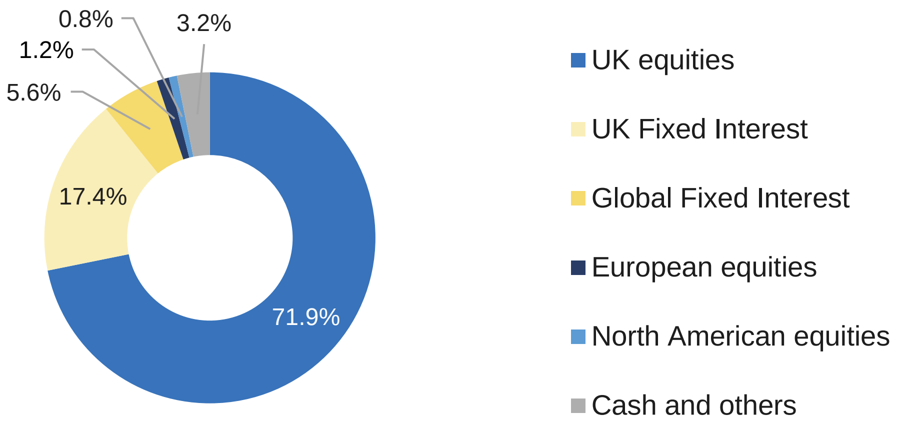
Ethical Managed (Flexible Target) fund

This fund is aimed at those who want to keep their options open at retirement. It uses a two-stage investment process. In the early years (the growth stage) it aims to grow savings over the long term by investing in a diversified portfolio of UK equities (shares of companies), fixed interest securities (bonds), and cash, which meet the fund's predefined ethical criteria. Its ethical criteria means the fund may have a bias towards small and medium sized companies. In the six years before your target retirement year (the flexible target stage), we'll progressively move you into less risky investments. We'll also move part of your investment into cash in the final two years to cater for your maximum tax-free cash entitlement, currently 25% of your pension pot. We review our workplace target funds regularly and may change them if we believe it's in the best interests of investors.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



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

We've committed to transitioning all our default funds, including this one, to net-zero greenhouse gas emissions by 2050. 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.

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Ethical Managed (Flexible Target) (ARC)	12.0	13.8	0.3	5.4
Benchmark	4.5	7.3	4.5	4.9

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. This fund is currently measured against a composite benchmark made up of 50% FTSE All Share TR / 50% ABI Mixed Investment 20%-60% Shares sector average.

Past performance is not a reliable indicator of future performance. The value of an investment can go down as well as up and isn't guaranteed. Investors could get back less than they invest.

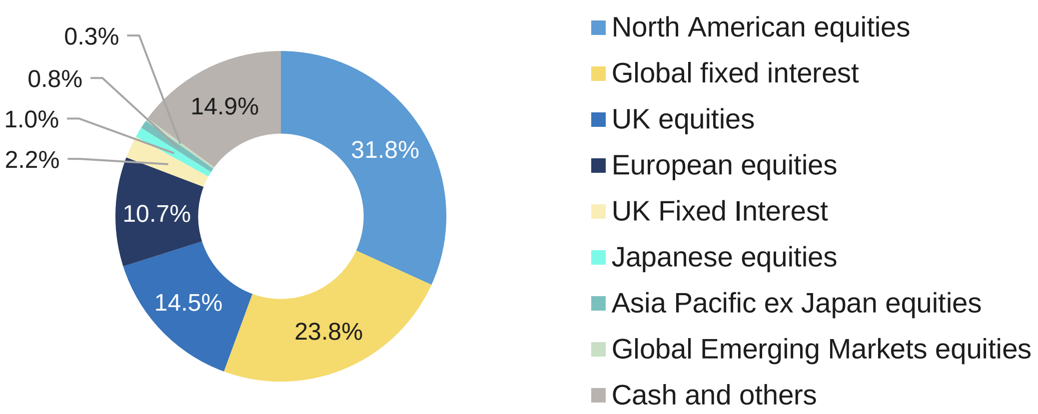
Annuity Target range

Universal Balanced Collection (Annuity Target) fund

This fund is aimed at those who intend to buy an annuity (a type of guaranteed pension) on retirement. It 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 in a well-diversified mix of international equities with the remainder in bonds and cash. It 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. In the six years before your target retirement year (the flexible target stage), we'll progressively move you into less risky investments. We'll also move part of your investment into cash in the final two years to cater for your maximum tax-free cash entitlement, currently 25% of your pension pot. We review our workplace target funds regularly and may change them if we believe it's in the best interests of investors.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



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

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Universal Balanced Collection (Annuity Target) (ARC)	6.4	11.5	4.0	7.8
Benchmark	5.3	7.9	2.3	5.3

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. This fund is currently measured against the ABI Mixed Investment 40%-85% Shares pension sector.

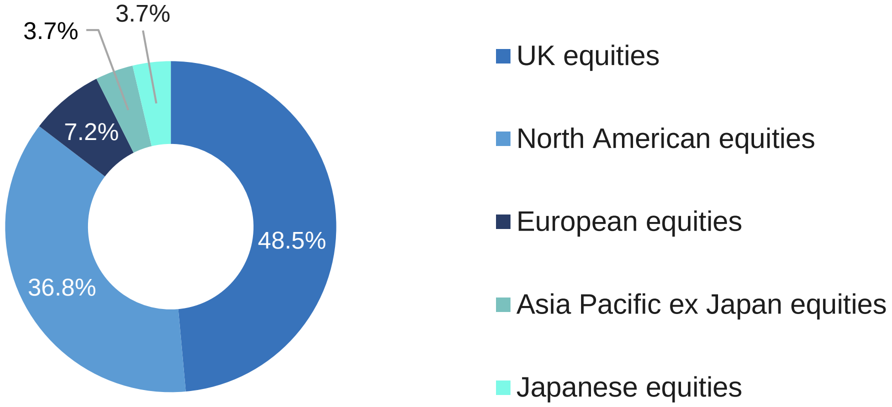
Past performance is not a reliable indicator of future performance. The value of an investment can go down as well as up and isn't guaranteed. Investors could get back less than they invest.

Aegon Adventurous Tracker (Annuity Target) fund

This fund is aimed at those who intend to buy an annuity (a type of guaranteed pension) on retirement. It uses a two-stage investment process. In the early years (the growth stage) it aims to grow savings over the long term by investing in an equal mix of UK and international equities (company shares). It's designed to track the markets it invests in, so performance should be similar those markets. In the six years before your target retirement year (the annuity target stage), we'll progressively move you into investments (currently long gilts and cash) with the aim of giving you more certainty about the size of annuity (pension) 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 review our workplace target funds regularly and may change them if we believe it's in the best interests of investors.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



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

We've committed to transitioning all our default funds, including this one, to net-zero greenhouse gas emissions by 2050. 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.

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Adventurous Tracker (Annuity Target) (ARC)	5.2	13.1	9.2	10.1
Benchmark	5.1	12.8	9.3	10.0

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. This fund is currently measured against a composite benchmark made up of 50% FTSE All Share TR / 50% FTSE World ex UK TR.

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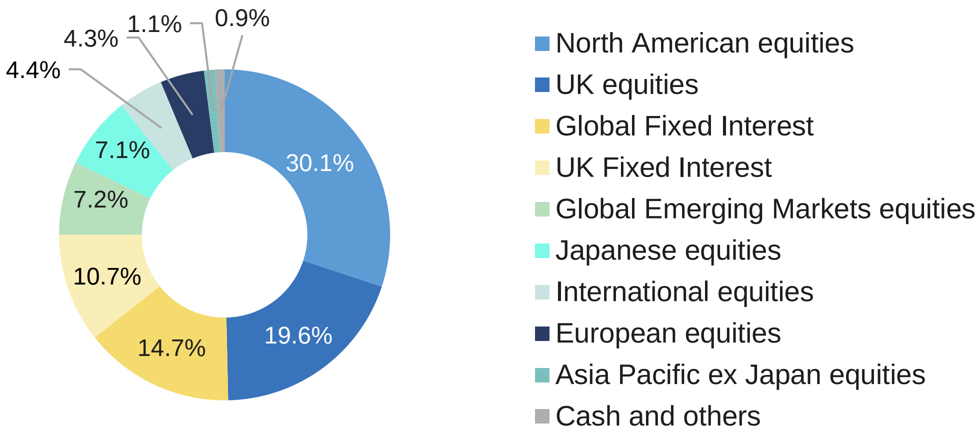
Aegon Growth Tracker (Annuity Target) fund

This fund is aimed at those who intend to buy an annuity (a type of guaranteed pension) on retirement. It 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. In the six years before your target retirement year (the annuity target stage), we'll progressively move you into investments (currently long gilts and cash) with the aim of giving you more certainty about the size of annuity you'll be able to buy when you retire and to cater for your maximum tax-free cash entitlement, currently 25%. We review our workplace target funds regularly and may change them if we believe it's in the best interests of investors.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



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

We've committed to transitioning all our default funds, including this one, to net-zero greenhouse gas emissions by 2050. 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.

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Growth Tracker (Annuity Target) (ARC)	6.0	10.0	4.8	7.3
Benchmark	6.0	11.2	4.5	7.6

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. This fund is currently measured against a composite benchmark of the following indices and weights: 20% MSCI UK All Cap / 55% MSCI ACWI ex UK / 8% BBgBarc Sterling Gilts / 2% BBgBarc UK Govt Infl Lkd Bond Float adjusted / 10% BBgBarc Sterling NonGilts / 5% JPM GBI ex UK.

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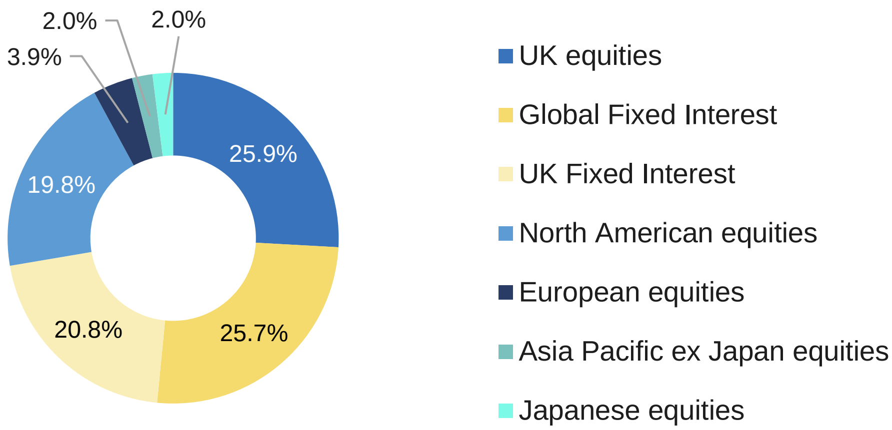
Aegon Balanced Tracker (Annuity Target) fund

This fund is aimed at those who intend to buy an annuity (a type of guaranteed pension) on retirement. It uses a two-stage investment process. In the early years (the growth stage) it aims to grow savings over the long term by investing in an equal mix of global equities (company shares) and UK bonds (a blend of UK corporate, UK index-linked and conventional government bonds). It's designed to track the markets it invests in, so performance should be similar to those markets. In the six years before your target retirement year (the annuity target stage), we'll progressively move you into investments (currently long gilts and cash) with the aim of giving you more certainty about the size of annuity (pension) you can buy when you retire and to cater for your maximum tax-free cash entitlement, currently 25% of your pension pot. We review our workplace target funds regularly and may change them if we believe it's in the best interests of investors.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



Source: Aegon UK. These figures may not add up to exactly 100% due to rounding and a cash weighting of - 0.1%.

We've committed to transitioning all our default funds, including this one, to net-zero greenhouse gas emissions by 2050. 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.

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Balanced Tracker (Annuity Target) (ARC)	6.4	9.8	1.0	4.7
Benchmark	6.6	9.4	0.8	4.4

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. This fund is currently measured against a composite benchmark of the following indices and weights: 25% FTSE All Share TR / 25% FTSE World ex UK TR / 26.5% Markit iBoxx Non Gilts All Stocks GBP TR / 18% FTSE Gilts All Stocks GBP / 5.5% FTSE Index-linked Over 5 Years.

Past performance is not a reliable indicator of future performance. The value of an investment can go down as well as up and isn't guaranteed. Investors could get back less than they invest.

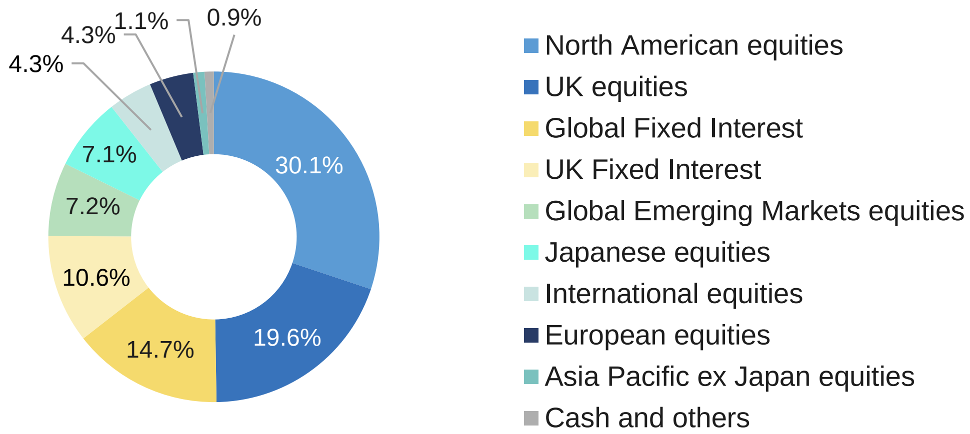
Cash Target

Aegon Growth Tracker (Cash Target) fund

This fund is aimed at those who plan to cash in their savings at retirement. It uses a two-stage investment process. In the early years (the growth stage), it aims to grow long-term savings 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. In the six years before your target retirement year (the cash target stage), we'll progressively move you into less risky investments and then into cash. On your selected retirement date, your fund will be 100% invested in cash. We review our workplace target funds regularly and may change them if we believe it's in the best interests of investors.

Where the fund invests

In the growth stage, the fund invests in a mix of investments designed to grow an investor's pension. The chart below shows where the fund invested on 31 December 2023.



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

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How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Growth Tracker (Cash Target) (ARC)	6.1	9.9	4.8	7.2
Benchmark	6.0	11.2	4.5	7.6

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023. This fund is currently measured against a composite benchmark of the following indices and weights: 20% MSCI UK All Cap / 55% MSCI ACWI ex UK / 8% BBgBarc Sterling Gilts / 2% BBgBarc UK Govt Infl Lkd Bond Float adjusted / 10% BBgBarc Sterling NonGilts / 5% JPM GBI ex UK.

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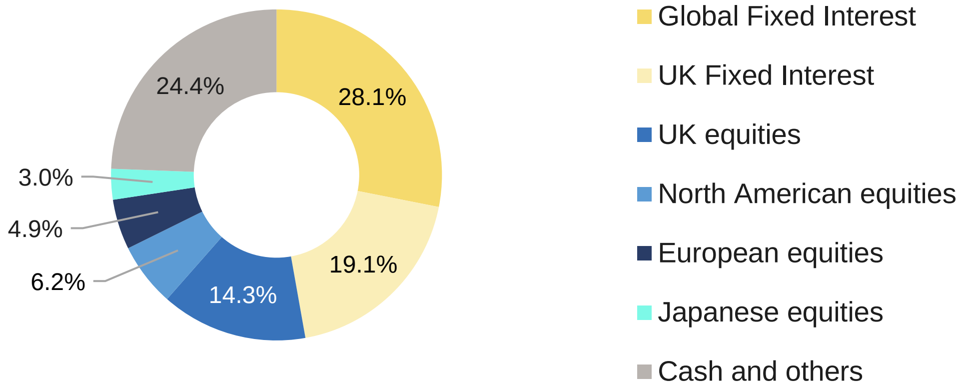
Interim Retirement Target range

Aegon Interim Retirement (Flexible Target) fund

This fund is designed for those invested in a Flexible Target fund who have reached their target retirement year but haven't yet taken their pension benefits. In their target retirement year, they will automatically be transferred into this fund. While investors decide how they want to take a retirement income, it aims to keep risk low and make sure they're not reliant on the success of just one investment type. It does this by investing in a mix of investments (company shares, bonds and cash) and countries. It's designed to track the markets it invests in, so performance should be similar to those markets. This fund is designed as a short-to-medium term investment.

Where the fund invests

The chart below shows where the fund invested on 31 December 2023.



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

We've committed to transitioning all our default funds, including this one, to net-zero greenhouse gas emissions by 2050. 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.

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Interim Retirement (Flexible Target) (ARC)	5.0	6.8	-0.2	2.6

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023.

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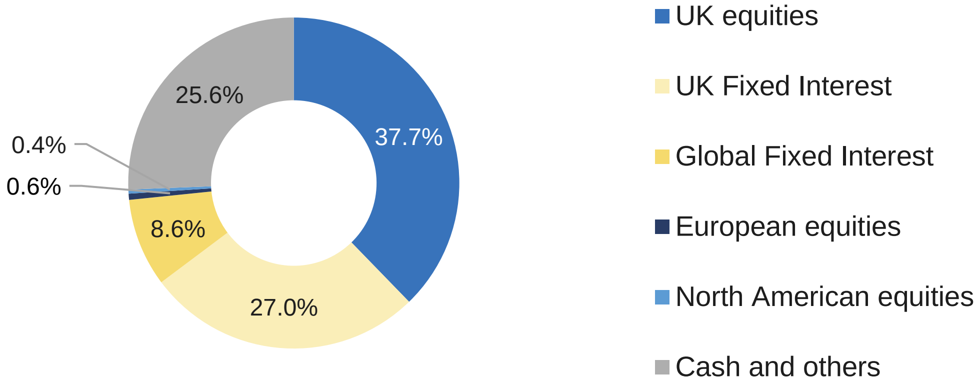
Aegon Interim Retirement (Ethical Target) fund

This fund is designed for investors in the Ethical Managed (Flexible Target) fund who have reached their target retirement year but haven't yet taken their benefits as planned. In their target retirement year investors are automatically transferred into this interim fund. While investors decide how they want to take a retirement income, it aims to keep risk low and make sure they're not reliant on the success of just one investment type. It does this by investing in a mix of investments (company shares, bonds and cash) that meet the fund's pre-defined ethical criteria. Its ethical criteria means the fund may have a bias towards small-and medium-sized companies. This fund is designed as a short-to-medium term investment.

Where the fund invests

The chart below shows where the fund invested on 31 December 2023.



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

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Interim Retirement (Ethical Target) (ARC)	8.4	10.4	-0.3	3.6

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023.

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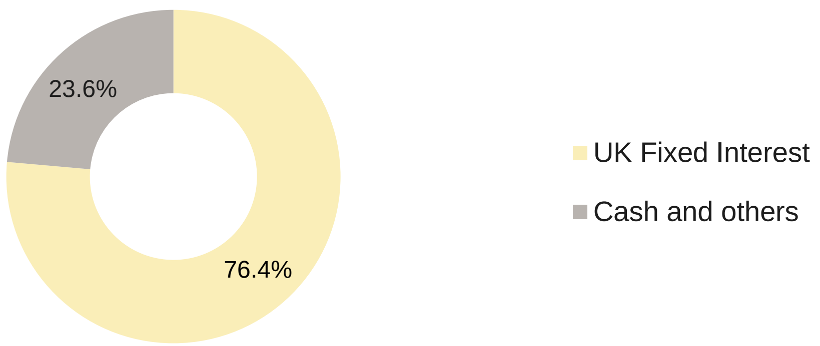
Aegon Interim Retirement (Annuity Target) fund

This fund is designed for those invested in an Annuity Target fund who have reached their target retirement year but have not yet bought an annuity (pension) as planned. In their target retirement year, they will automatically be transferred into this fund. It aims to help preserve the size of pension investors can buy through an annuity by investing 75% of the fund in long-dated UK government bonds (gilts). The remaining 25% of the fund is invested in cash, so investors can take the maximum tax-free cash lump sum they're entitled to when they retire, based on current legislation. This fund is designed as a short-to-medium term investment.

Where the fund invests

The chart below shows where the fund invested on 31 December 2023.



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

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Interim Retirement (Annuity Target) (ARC)	11.1	2.6	-12.6	-4.1

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023.

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Aegon Interim Retirement (Cash Target) fund

This fund is designed for those invested in a Cash Target fund who have reached their target retirement year but have not yet cashed in their pension savings as planned. In their target retirement year, they will automatically be transferred into this fund. The fund aims to provide a return in line with money market interest rates, before charges, by investing in short-term, sterling denominated money market instruments such as bank deposits, certificates of deposit and short-term fixed interest securities. Like other funds in the ABI Deposit and Treasury sector, the fund can only invest in very short-term investments so the rates of return may be lower than for cash funds able to invest in riskier, longer-term cash securities. This fund is designed as a short-term investment.

Where the fund invests

The chart below shows where the fund invested on 31 December 2023.

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

How has the fund performed?

Fund	3 months (%)	1 year (% a year)	3 years (% a year)	5 years (% a year)
Aegon Interim Retirement (Cash Target) (ARC)	1.4	4.8	2.1	1.5

Source: FE fundinfo. Produced by Aegon. Figures in £s on a bid-to-bid basis, net of charges with gross income reinvested to 31 December 2023.

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Fund Governance

Our mission is to provide a lifetime of financial security for our customers. A big part of that is aiming to ensure that our funds meet your expectations. That's why fund governance is one of the most important things we do on behalf of investors. It is underpinned by our Funds Promise:

- We aim to offer high quality funds which meet their objectives.
- We monitor funds to check if they perform as expected.

Funds Promise

- We take action if funds don't meet expectations.
- We give you the facts you need to make decisions.
- Find out more about our fund governance process on our website.

For risks associated with each fund, please view the fund fact sheet via the 'Fund prices and information' page on our website and selecting 'Aegon Retirement Choices (ARC)'.

Our Funds Promise applies to insured funds available to UK investors. These funds typically have a name starting with 'Aegon' or 'Scottish Equitable'. This includes all the funds in the Workplace Target range.

The value of an investment can go down as well as up and isn't guaranteed. Investors could get back less than they invest.