For financial advisers and employers only

The Aegon Risk-Managed Portfolios

Celebrating 3 years of our multi-asset proposition

Foreword

A message from

Tim Orton
Chief Investment Officer

We're thrilled that our Risk-Managed Portfolios have reached this milestone, one which marks a key proof-point for many advisers and potential investors. Over the last three years, the funds have performed strongly for our customers despite a uniquely challenging backdrop. We're confident that we can be an enduring partner in this part of the market and that our solutions can be relied upon in the long term.

When launching this fund range three years ago we saw an opportunity to leverage our size, scale and operational capability to build a multi-asset range which sat across the risk spectrum, a range that would be a compelling option in a crowded marketplace. We saw this as an opportunity to provide customers with a comparative alternative to some of the complexity that can be seen in the market – blending a great value proposition engineered with quality building blocks, investment insight and hands-on active asset allocation. With simplicity at its core, we've been delighted with the way the funds have performed and the resilience they've shown in the face of difficult market conditions.

This is just the start for the Risk-Managed Portfolios and we expect the funds to go from strength to strength over the coming years, solidifying their position as Aegon's frontline multi-asset proposition.

We're proud of what we've built, of what our Portfolio Management team have delivered for our customers, and we look forward to the future with enthusiasm for what the funds can achieve.

Fund performance

Anthony McDonald
Head of Portfolio Management

It's been an eventful three years since the launch of the Aegon Risk-Managed Portfolios, spanning a global pandemic, a land war in Europe, the highest rates of inflation in the UK and US for 40 years, and the steepest rises in interest rates for decades. We've worked hard to navigate the funds through these unusual and uncertain times, acknowledging the complex backdrop while staying true to our long-term, valuation-based investment philosophy.

The most material drivers of fund performance versus the benchmark have been bonds and US equities.

Four of the funds have outperformed over the period. WS Aegon Risk-Managed 1, WS Aegon Risk-Managed 2, WS Aegon Risk-Managed 3 and WS Aegon Risk-Managed 4 benefited from the bond positioning relative to the benchmark.

WS Aegon Risk-Managed 5 and WS Aegon Risk-Managed 6 moderately underperformed their benchmarks over the period. In keeping with their higher-risk approach, they are mostly invested in equities and were held back to a greater degree by underweight positions in US equities.

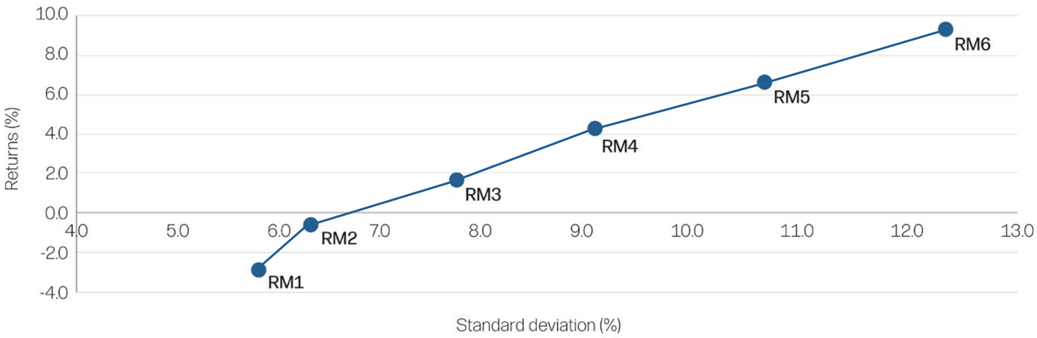
Over most of the three-year period, the funds were positioned with an underweight in bonds, particularly government bonds, in favour of cash. This reflected the view that low bond yields were unattractive at a time when significant, combined fiscal and monetary stimulus contributed to rising inflation risks. The approach was very helpful as government bonds fell significantly in 2022.

Within equities, the US market has been a consistent underweight.

Given its outperformance, this positioning has detracted from performance relative to the benchmark. For most of the period, the UK and Japanese markets were preferred although the UK position was phased out in the second half of 2022 as a position was gradually built in emerging markets.

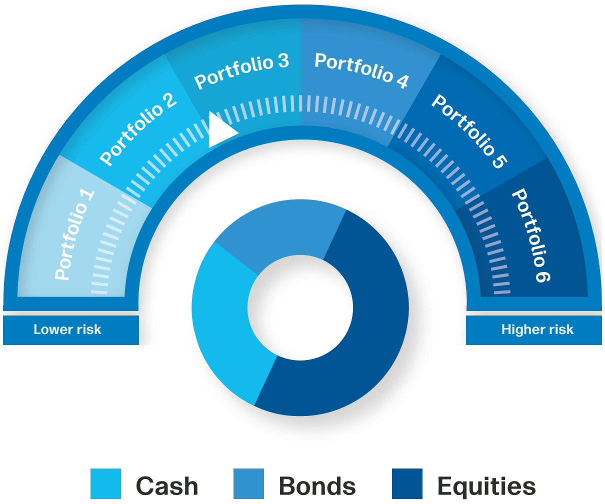
We appreciate the trust that the funds' investors have placed in us, and we're focused on building on this promising start to deliver attractive long-term investment returns, in what will hopefully be a less volatile period.

Risk-Managed Portfolios – three year performance



Past performance isn't a reliable guide to future performance. Source: Morningstar Direct, recreated by Aegon. Figures in £. Standard deviation is annualised based on daily returns. Performance returns are cumulative, on a bid-to-bid basis net of fund charges with gross income reinvested from inception (7 July 2020) to 7 July 2023.

The Risk-Managed Portfolios



There are six Risk-Managed Portfolios in the rage, each targeting a different risk level (on a scale of 1-6, where 1 is the lowest risk and 6 is the highest risk) to cater for a broad range of risk appetites.

The Risk-Managed Portfolios are designed, built and managed by experts to achieve the best possible outcomes for investors who want a straightforward way to invest. They have everything you need in a multi-asset solution to meet the needs of today's market and are focussed on value for money.

The portfolios are available across pensions, Individual Savings Accounts (ISAs) and General Investment Accounts (GIAs), allowing a consistent investment approach, whichever wrapper is used.

The portfolios adhere to six key design principles:

Customer aligned	Designed to grow long-term savings while aligned to client risk appetite. Mapped to risk ratings from Defaqto, Dynamic Planner, EValue, FinaMetrica and Synaptic.
Independent input and choice	We're not tied to any one asset allocation expert or fund manager. We have the freedom to use any funds and advisers that we feel will help fulfil the fund objectives.
Optimal asset allocation	We work closely with Aon, investment specialists with extensive research capabilities, to create the optimal strategic asset mix for each fund in the range.

Robust risk management	We focus on client outcomes, so risk management is embedded at every stage of the process.
Strong governance	In line with our Funds Promise, we check the Risk-Managed Portfolios regularly with the aim of making sure they're meeting their objectives.
Cost effective	Competitive 0.25% ongoing charges figure (OCF) is fixed with transaction costs expected to be low.

The Risk-Managed Portfolios are underpinned by our Funds Promise. This is a commitment to our investors that:

- 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.

For more information on our Risk-Managed Portfolios speak to your usual Aegon contact or visit aegon.co.uk/multi-asset.

Important information:

- There's no guarantee the funds will meet their objectives.
- Their value can fall as well as rise and investors may end up with less than they invest.
- Past performance isn't a reliable guide to future performance.
- These portfolios are designed primarily as long-term investments so may not be suitable for those with less than five years to invest.
- The portfolios invest overseas so their value will go up and down as exchange rates fluctuate.
- Returns from the portfolios may not keep up with inflation, particularly those investing more in lower risk asset classes like cash and bonds.
- The Risk-Managed Portfolios risk levels of 1 – 6 shouldn't be compared to other Aegon fund ranges or risk scales, or those of other providers, which may measure risk in different ways.
- Waystone Management (UK) Limited is the authorised corporate director (ACD) of the WS Aegon Risk-Managed Funds (the Risk-Managed Portfolios). This means they're responsible for the operation of the funds in accordance with the regulations. Waystone Management (UK) Limited replaced Link Fund Solutions Limited as ACD of these funds on 9 October 2023.

For more information and the fund specific risks, see the fund factsheets and Key Investor Information Documents, available on our website.

A simpler way to invest

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