

For customers | With-Profits Investments

# High Equity With-Profits Fund (WP2) factsheet

## Quarter three 2019



### Fund description

The WP2 fund offers a guarantee that the unit price will not fall (i.e. guaranteed return of capital including annual bonus additions to date), if held to maturity date. WP2 invests in a wide range of bonds, gilts, equities in the UK and overseas, plus direct property. The current target level of equity exposure is 65% - 75% of the overall investment, and the fund aims to produce superior long-term returns through the growth potential afforded by investment in equities.

Any annual bonus will be declared in advance and the unit price will be increased smoothly on a daily basis throughout the year in line with the rate of bonus declared. This will protect the capital value of your investment from the volatility normally associated with equities if the funds is held to the selected retirement date.

A terminal bonus or market value reduction (MVR) may be applied in certain circumstances when the benefit becomes payable. The terminal bonus and MVR rates are not guaranteed. The current rates are shown at the end of this factsheet.

### Fund information

<b>Fund provider</b>	Aegon
<b>Fund launch date</b>	February 1996
<b>Fund closed to new business</b>	October 2002
<b>Aegon fund size (£ million)</b>	1,119.6
<b>Fund type</b>	Pension
<b>Annual management charge</b>	1.00%
<b>SEDOL code</b>	783389



### Asset allocation



	%
■ Gilts	12.2
■ Other Fixed Interest	17.8
■ UK Equity	43.0
■ Overseas Equity	16.1
■ Property	10.9



## Performance in detail

Periods ended 31 August 2019:					
	3 months	1 year	3 years	5 years	10 years
	(%)	(%)	(%)	(%)	(%)
WP2	3.6	3.1	5.3	6.4	7.8

  

Growth (%) over 12-month periods:					
Jan-18 To Jan-19	Jan-17 To Jan-18	Jan-16 To Jan-17	Jan-15 To Jan-16	Jan-14 To Jan-15	Jan-13 To Jan-14
-5.6	9.0	12.1	3.3	7.7	

Source: Aegon. Figures in £s on a bid-to-bid basis, net of charges, with gross income reinvested to 31 August 2019. Periods of greater than one year show annualised compound returns.

Past performance is no guide to future performance. The value of this investment can fall as well as rise for a number of reasons, for example market and currency movements. You may get back less than the amount originally invested if you surrender the policy prior to the selected maturity date.

These figures represent the investment return on WP2 fund net of annual management charge, but not incorporating charges for guarantees and the distribution from the inherited estate (see "Enhancements to asset shares" for further information). Actual with-profits payouts also incorporate the effects of smoothing of investment returns and will therefore not necessarily reflect these returns.



## Reversionary bonus rates applied

Year	Rate Applied (%)
1996 - 1997	7%
1998 - 1999	6.5%
2000 (01.01.00 – 31.03.01)	5.75%
2001 (01.04.01 – 31.03.02)	5.25%
2002 (01.04.02 – 31.03.03)	4.5%
2003 (01.04.03 – 31.03.04)	2.25%
2004 (01.04.04 – 31.03.05)	1.25%
2005 (01.04.05 – 31.03.06)	0.50%
2006 (01.04.06 – 31.03.07)	0.25%
2007 (01.04.07 – 31.03.08)	1.25%
2008 (01.04.08 – 31.03.09)	2.5%
2009 (01.04.09 – 31.03.10)	1%
2010 (01.04.10 – 31.03.11)	2%
2011 (01.04.11 – 31.03.12)	3%
2012 - 2014	1.50%
2015 (01.04.15 – 31.03.16)	1.75%
2016 (01.04.16 – 31.03.17)	2.00%
2017 - 2018	2.25%

Future benefits from contributions invested are not guaranteed and depend on the bonuses declared by Aegon.

## **Guarantee charges and estate distributions**

Amounts payable to policyholders are guided by the calculation of asset shares. This reflects the accumulation of premiums paid less any withdrawals, contract charges and expenses at the rate of investment return on the underlying with-profits fund assets.

In addition, the investment return is increased by any distributions made from the estate and decreased by charges for guarantees payable to the estate. This includes any additional enhancement to investment returns that may be added, from the estate, at the point of claim. The estate represents the excess of assets within the with-profits fund over and above the amount required to meet customer benefits. Aegon has no entitlement to any of the estate and we aim to distribute the estate equitably to with-profits policyholders over time.

The combination of these effects, plus an allowance for smoothing of investment returns, is then reflected in policy payouts through the terminal bonus and MVR rates. The following table illustrates the effect on the annual investment return from the movements to/from the estate (before any smoothing is applied).

It is important to note that the above estate distributions are not guaranteed. It may become necessary to remove some or all of these should the Scottish Equitable with-profits fund (of which this investment fund forms a part) experience adverse conditions.

Calendar Year	Investment Performance before estate movements	Charge for guarantees (to the estate)	Estate distribution (from the estate)	Investment Return after estate movements	Additional Enhancement to Investment Return made at the point of claim (from the estate)
	(%)	(%)	(%)	(%)	(%)
<b>2005</b>	15.7	-0.75	1.5	16.5	Nil
<b>2006</b>	7.9	-0.5	0.5	7.9	Nil
<b>2007</b>	3.9	-0.25	0.25	3.9	Nil
<b>2008</b>	-16.4	-0.25	0.25	-16.4	Nil
<b>2009</b>	16.2	-0.5	0.5	16.2	Nil
<b>2010</b>	12.4	-0.5	0.5	12.4	Nil
<b>2011</b>	0.2	-0.5	Nil	-0.3	Nil
<b>2012</b>	10.1	-0.5	Nil	9.6	Nil
<b>2013</b>	12.4	-0.5	Nil	11.9	Nil
<b>2014</b>	7.7	-0.5	Nil	7.2	Nil
<b>2015</b>	3.3	-0.5	Nil	2.8	0.5
<b>2016</b>	12.1	-0.5	Nil	11.6	1.0
<b>2017</b>	9.0	-0.5	Nil	8.5	3.5
<b>2018</b>	-5.6	0.0	Nil	-5.6	7.0

Source: Aegon. Figures on a bid-bid basis, net of charges, with gross income reinvested.

The enhancement applied to claims made during 2019 is currently equal to 10% and is reflected in the terminal bonus scale effective from 1 October 2019.



## Terminal bonus & market value reduction rates (effective 1 October 2019)

Investment Date		MVR Rates	TB Rates
February	1996	0%	134%
March	1996	0%	134%
April	1996	0%	127%
May	1996	0%	130%
June	1996	0%	132%
July	1996	0%	136%
August	1996	0%	129%
September	1996	0%	126%
October	1996	0%	127%
November	1996	0%	123%
December	1996	0%	123%
January	1997	0%	116%
February	1997	0%	116%
March	1997	0%	118%
April	1997	0%	115%
May	1997	0%	109%
June	1997	0%	109%
July	1997	0%	102%

Investment Date		MVR Rates	TB Rates
August	1997	0%	107%
September	1997	0%	94%
October	1997	0%	106%
November	1997	0%	106%
December	1997	0%	98%
January	1998	0%	91%
February	1998	0%	83%
March	1998	0%	78%
April	1998	0%	78%
May	1998	0%	78%
June	1998	0%	81%
July	1998	0%	82%
August	1998	0%	102%
September	1998	0%	107%
October	1998	0%	98%
November	1998	0%	89%
December	1998	0%	86%
January	1999	0%	84%

Investment Date		MVR Rates	TB Rates
February	1999	0%	81%
March	1999	0%	78%
April	1999	0%	74%
May	1999	0%	82%
June	1999	0%	77%
July	1999	0%	80%
August	1999	0%	79%
September	1999	0%	88%
October	1999	0%	84%
November	1999	0%	74%
December	1999	0%	67%
January	2000	0%	68%
February	2000	0%	80%
March	2000	0%	73%
April	2000	0%	77%
May	2000	0%	75%
June	2000	0%	73%
July	2000	0%	73%

<b>Investment Date</b>	<b>MVR Rates</b>	<b>TB Rates</b>
August 2000	0%	65%
September 2000	0%	73%
October 2000	0%	72%
November 2000	0%	77%
December 2000	0%	76%
January 2001	0%	77%
February 2001	0%	82%
March 2001	0%	91%
April 2001	0%	83%
May 2001	0%	86%
June 2001	0%	91%
July 2001	0%	95%
August 2001	0%	99%
September 2001	0%	121%
October 2001	0%	113%
November 2001	0%	105%
December 2001	0%	107%
January 2002	0%	107%
February 2002	0%	110%
March 2002	0%	104%

<b>Investment Date</b>	<b>MVR Rates</b>	<b>TB Rates</b>
April 2002	0%	107%
May 2002	0%	109%
June 2002	0%	125%
July 2002	0%	141%
August 2002	0%	139%
September 2002	0%	157%
October 2002	0%	148%
November 2002	0%	143%
December 2002	0%	152%
January 2003	0%	166%
February 2003	0%	163%
March 2003	0%	166%
April 2003	0%	151%
May 2003	0%	143%
June 2003	0%	142%
July 2003	0%	137%
August 2003	0%	135%
September 2003	0%	137%
October 2003	0%	134%
November 2003	0%	134%

<b>Investment Date</b>	<b>MVR Rates</b>	<b>TB Rates</b>
December 2003	0%	128%
January 2004	0%	129%
February 2004	0%	125%
March 2004	0%	127%
April 2004	0%	128%
May 2004	0%	132%
June 2004	0%	128%
July 2004	0%	132%
August 2004	0%	129%
September 2004	0%	125%
October 2004	0%	123%
November 2004	0%	119%
December 2004	0%	112%
January 2005	0%	110%
February 2005	0%	107%
March 2005	0%	110%
April 2005	0%	113%
May 2005	0%	106%
June 2005	0%	101%
July 2005	0%	97%

<b>Investment Date</b>	<b>MVR Rates</b>	<b>TB Rates</b>
August 2005	0%	96%
September 2005	0%	93%
October 2005	0%	98%
November 2005	0%	90%
December 2005	0%	83%
January 2006	0%	80%
February 2006	0%	78%
March 2006	0%	76%
April 2006	0%	78%
May 2006	0%	83%
June 2006	0%	82%
July 2006	0%	80%
August 2006	0%	79%
September 2006	0%	76%
October 2006	0%	73%
November 2006	0%	72%
December 2006	0%	70%
January 2007	0%	71%
February 2007	0%	70%
March 2007	0%	69%

<b>Investment Date</b>	<b>MVR Rates</b>	<b>TB Rates</b>
April 2007	0%	67%
May 2007	0%	64%
June 2007	0%	67%
July 2007	0%	69%
August 2007	0%	69%
September 2007	0%	66%
October 2007	0%	63%
November 2007	0%	67%
December 2007	0%	65%
January 2008	0%	74%
February 2008	0%	74%
March 2008	0%	76%
April 2008	0%	70%
May 2008	0%	71%
June 2008	0%	78%
July 2008	0%	81%
August 2008	0%	76%
September 2008	0%	94%
October 2008	0%	110%
November 2008	0%	110%

<b>Investment Date</b>	<b>MVR Rates</b>	<b>TB Rates</b>
December 2008	0%	102%
January 2009	0%	114%
February 2009	0%	124%
March 2009	0%	123%
April 2009	0%	114%
May 2009	0%	107%
June 2009	0%	109%
July 2009	0%	98%
August 2009	0%	87%
September 2009	0%	81%
October 2009	0%	84%
November 2009	0%	80%
December 2009	0%	76%
January 2010	0%	78%
February 2010	0%	74%
March 2010	0%	67%
April 2010	0%	68%
May 2010	0%	73%
June 2010	0%	78%
July 2010	0%	72%

Investment Date		MVR Rates	TB Rates
August	2010	0%	70%
September	2010	0%	64%
October	2010	0%	63%
November	2010	0%	66%
December	2010	0%	59%
January	2011	0%	61%
February	2011	0%	59%
March	2011	0%	59%
April	2011	0%	56%
May	2011	0%	57%
June	2011	0%	58%
July	2011	0%	59%
August	2011	0%	67%
September	2011	0%	72%
October	2011	0%	65%
November	2011	0%	66%
December	2011	0%	64%
January	2012	0%	62%
February	2012	0%	58%
March	2012	0%	59%

Investment Date		MVR Rates	TB Rates
April	2012	0%	60%
May	2012	0%	64%
June	2012	0%	61%
July	2012	0%	58%
August	2012	0%	57%
September	2012	0%	56%
October	2012	0%	55%
November	2012	0%	53%
December	2012	0%	53%
January	2013	0%	48%
February	2013	0%	45%
March	2013	0%	43%
April	2013	0%	42%
May	2013	0%	41%
June	2013	0%	47%
July	2013	0%	41%
August	2013	0%	44%
September	2013	0%	43%
October	2013	0%	39%
November	2013	0%	40%

Investment Date		MVR Rates	TB Rates
December	2013	0%	39%
January	2014	0%	40%
February	2014	0%	36%
March	2014	0%	39%
April	2014	0%	38%
May	2014	0%	37%
June	2014	0%	38%
July	2014	0%	38%
August	2014	0%	34%
September	2014	0%	36%
October	2014	0%	35%
November	2014	0%	31%
December	2014	0%	31%
January	2015	0%	28%
February	2015	0%	27%
March	2015	0%	27%
April	2015	0%	27%
May	2015	0%	25%
June	2015	0%	31%
July	2015	0%	28%

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Investment Date		MVR Rates	TB Rates
August	2015	0%	33%
September	2015	0%	35%
October	2015	0%	31%
November	2015	0%	29%
December	2015	0%	30%
January	2016	0%	33%
February	2016	0%	31%
March	2016	0%	30%
April	2016	0%	30%
May	2016	0%	29%
June	2016	0%	28%
July	2016	0%	22%
August	2016	0%	20%
September	2016	0%	20%
October	2016	0%	21%
November	2016	0%	22%
December	2016	0%	19%
January	2017	0%	19%
February	2017	0%	17%
March	2017	0%	16%

Investment Date		MVR Rates	TB Rates
April	2017	0%	16%
May	2017	0%	14%
June	2017	0%	16%
July	2017	0%	15%
August	2017	0%	14%
September	2017	0%	15%
October	2017	0%	14%
November	2017	0%	14%
December	2017	0%	12%
January	2018	0%	13%
February	2018	0%	15%
March	2018	0%	17%
April	2018	0%	13%
May	2018	0%	11%
June	2018	0%	11%
July	2018	0%	11%
August	2018	0%	11%
September	2018	0%	12%
October	2018	0%	16%
November	2018	0%	18%

Investment Date		MVR Rates	TB Rates
December	2018	0%	21%
January	2019	0%	17%
February	2019	0%	16%
March	2019	0%	14%
April	2019	0%	12%
May	2019	0%	14%
June	2019	0%	7%
July	2019	0%	7%
August	2019	0%	7%

The rates shown are not guaranteed and can be increased or decreased at any time. In normal circumstances we aim to review rates on a quarterly basis. If money is taken out at any time other than on death or selected retirement date the amount may be subject to an MVR, which would reduce your final plan value.

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