Aon Managed Initial Growth Phase

Q1 2025

Defined contributions

Fund information

Issuing company	Aegon/Scottish Equitable plc
Inception date	15 Dec 2014
Benchmark	Aon Managed Initial Growth Phase Composite Benchmark
Entry Fees	No
Exit Fees	No
Performance Fee	No
Additional Expenses	0.02%
Fund size	£1,180.60m
Fund type	Pension
ISIN	GB00BRJMCN23
SEDOL	BRJMCN2
Domicile	United Kingdom
Use of Income	Accumulation
Base Currency	GBP

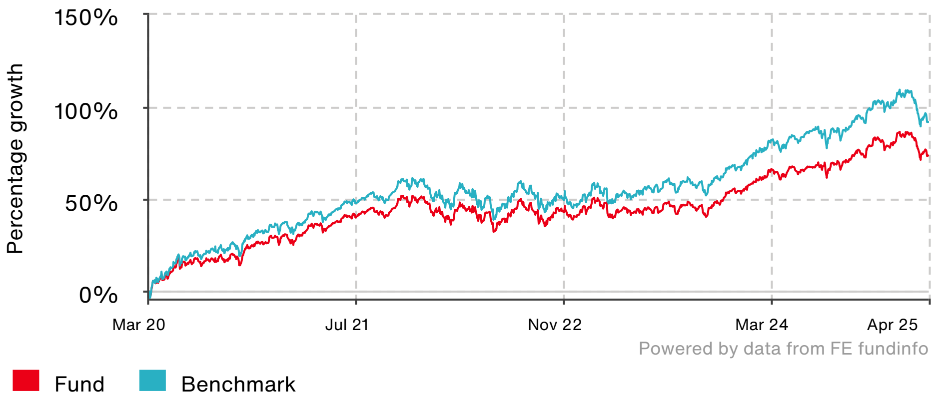
Relative Risk Profile

These risk ratings are only applicable to funds available via TargetPlan. Other risk ratings apply across the rest of our fund range and they, or ratings from other providers, are not comparable. Be aware that even lower risk investments can fall in value.

Fund objective

The Fund aims to outperform its benchmark by investing in a range of funds that provide exposure to a range of asset types, which might include global equities, fixed income, property and other assets.

Fund performance



	3 Months	YTD	1yr	3yrs	5yrs
Fund	-2.4%	-2.4%	4.4%	6.0%	11.7%
Benchmark	-3.7%	-3.7%	5.3%	7.1%	13.9%

	Mar 20 to Mar 21	Mar 21 to Mar 22	Mar 22 to Mar 23	Mar 23 to Mar 24	Mar 24 to Mar 25
Fund	31.7%	10.9%	-1.5%	15.6%	4.4%
Benchmark	37.3%	13.7%	-2.2%	19.4%	5.3%

Past performance is not a reliable guide to future performance. The value of investments and the income from them can fluctuate and are not guaranteed. Investors may not get back the full amount invested.

Source FE fundinfo. Performance shown is gross of the annual management charge but is net of additional expenses (if any) incurred within the fund. The annual management charge will reduce the performance figures shown. Performance for periods over a year is annualised (% per year).

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Fund Split as at 31 Mar 2025

AM GLOBAL EQUITY O Prvt	90.3%
AE BLK ENV LOW CAR T PROP SEC O Prvt	7.0%
AE LGIM INFRASTRUCTURE IDX N (BLK) Prvt	1.5%
AE THREADNEEDLE PROPERTY (BLK) N	1.2%
Total	100.0%

Source of fund breakdown and holdings: Fund mgmt group

Fund Commentary

The Aon Managed Initial Growth Phase Fund aims to outperform its composite benchmark by investing in funds that provide exposure to a range of asset types, which may include global equities, property and other assets. The Fund's current investment strategy is to hold 90% of its assets in the Aon Managed Global Equity Fund, which invests in a global equity climate transition fund, an emerging market climate transition equity fund and a multi-factor equity fund that provides exposure to broader equity market themes (often referred to as factor investing), including value, quality, momentum, small size and low volatility. Each of the underlying funds invests broadly in line with its respective investment benchmark (commonly known as 'passive investment'). Investing across multiple regions, industry sectors and broader equity market themes is intended to create an equity portfolio that is diverse and well-balanced. The remaining 10% of the Fund is invested in a listed global real estate fund, a listed infrastructure fund and a UK property fund.

The inclusion of funds with an ESG screen and focus on environmental issues aims to help reduce the Fund’s carbon footprint and reduce the investment risks associated with climate change and the transition to a low carbon economy. The global equity climate transition fund and new emerging market equity climate transition fund offer broad based exposure to global equities and emerging market equities respectively, but with improved climate metrics, lower carbon emissions, better ESG scores and a focus on positive impact by investing more in those companies that contribute to a just and fair transition. Alongside this, the low carbon approach within the multi-factor equity fund offers a large reduction in carbon emissions, achieved by investing less in companies with a high carbon footprint across a range of different sectors. The global property securities fund tracks an ESG Index which tilts the portfolio towards constituents with strong ESG scores and looks to reduce the carbon intensity and energy usage of the Fund, when compared to the parent index. The Fund also reduces exposure to tobacco, controversial weapons and companies that violate the UN Global Compact principles. During the quarter, we continued to decrease our exposure to multi-factor equities in favour of climate transition equities. This change increases the Fund’s exposure to larger companies and strategies with specific objectives around the energy transition and is also expected to reduce the performance variability between the Fund and the benchmark. This was completed in February 2025.

Performance Commentary

Over the three-month period to 31 March 2025 the Fund returned -2.4%, against a backdrop of negative equity market returns. The Fund is invested 90% in the Aon Managed Global Equity Fund, with the remaining 10% invested in a diversified range of commercial property assets and listed securities within the property and infrastructure sectors. Global equity markets fell over the quarter, primarily driven by US equities. A flurry of tariff announcements by US President Donald Trump created significant market uncertainty and led to falls in US equities. The US dollar depreciated against the pound, resulting in lower returns in sterling terms. Returns across other markets were mixed; both UK and European markets rose over the quarter, while Japanese markets fell. The Aon Managed Global Equity Fund returned -2.6% over the quarter and outperformed its benchmark. The allocation to emerging markets equities was the best performing strategy and returned 2.5%. This was primarily due to US dollar depreciation, advances in artificial intelligence from Chinese companies, as well as expectations of further government stimulus to support domestic consumption. The allocation to multi-factor equities returned -0.2% and significantly outperformed the broader market. This was mainly due to the multi-factor strategy’s underweight to the technology sector, specifically large-cap technology stocks, which fell sharply over the quarter. An overweight to financials, which performed well, was also beneficial. The UBS Global Equity Climate Transition Fund returned -5.3%, reflecting weak returns from global equities and an overweight to industrials and technology. This was partly offset by stock selection in the health care and financials sectors. The allocation to property and infrastructure returned -0.4%, with underlying managers delivering mixed results. The listed property holding fell by 1.5%, driven by expectations of a rise in global inflation following Trump's tariff announcements. This was partly offset by gains from listed infrastructure, which benefited from falling energy prices. UK commercial property also provided a positive return through a combination of income returns, rental growth and rising capital values. Since inception, the Fund has generated a strong absolute return of 9.6% p.a.

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Differences in performance reporting between fund and benchmark may arise due to the impact of timing, charges, cashflows, and the pricing basis of the underlying fund. Fund returns are calculated on a total return basis with dividends reinvested.

The value of your plan depends directly on a number of things, including the level of your pensions savings, charges, investment returns and the annuity rates available to buy your pension income when you decide to take your benefits. Levels and basis of, and reliefs from, taxation can also change. Any money that you invest in the plan is tied up until you take your retirement benefits. You cannot normally take the benefits until at least the age of 55.

The value of investments can fluctuate. Fluctuations may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Changes in exchange rates will affect the value of overseas investments. Emerging market investments are often associated with greater investment risk. Two main risks related to fixed income investing are interest rate risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the market value of bonds. Credit risk refers to the possibility that the issuer of the bond will not be able to repay the principal and make interest payments.

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Source: Scottish Equitable plc.