

Aon Managed Bond Phase

Defined contributions

Fund information

Issuing company	Aegon/Scottish Equitable plc
Inception date	15 Dec 2014
Benchmark	Composite Benchmark
Entry Fees	No
Exit Fees	No
Performance Fee	No
Additional Expenses	0.03%
Fund size	£3.19m
Fund type	Pension
ISIN	GB00BRJMCX21
SEDOL	BRJMCX2
Domicile	United Kingdom
Use of Income	Accumulation
Base Currency	GBP

An annual management charge will also be incurred in addition to the additional expenses shown.

Relative Risk Profile

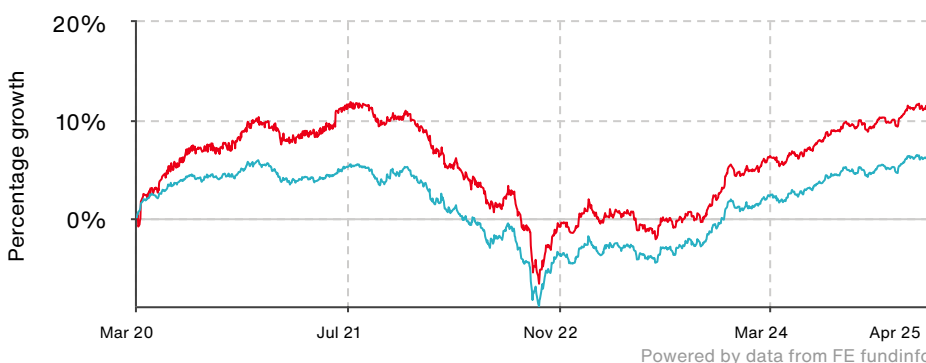


These risk ratings are only applicable to funds available via TargetPlan. Other risk ratings apply across the rest of our fund range and they, or ratings from other providers, are not comparable. Be aware that even lower risk investments can fall in value.

Fund objective

The Fund aims to outperform its benchmark by 1.0% per annum gross of fees over rolling three-year periods. The Fund aims to achieve its objective by investing in a range of Aon Managed funds that invest in a mix of global bonds (across of broad spectrum of credit quality), cash and sterling denominated non gilts (mainly corporate bonds).

Fund performance



	3 Months	YTD	1yr	3yrs	5yrs
Fund	1.2%	1.2%	4.8%	1.8%	2.2%
Benchmark	0.9%	0.9%	3.7%	1.7%	1.2%

	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	7.6%	-2.1%	-5.1%	6.2%	4.8%
Benchmark	3.6%	-2.5%	-4.0%	5.6%	3.7%

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 DIVERSIFIED MULTISTRAT BOND O Prvt	50.0%
AM PASSIVE CORPORATE BOND O Prvt	49.8%
GBP CASH(Committed)	0.1%
Total	99.9%

Source of fund breakdown and holdings: Fund mgmt group

Fund Commentary

The Aon Managed Bond Phase Fund aims to outperform its composite benchmark by 1.0% per annum, on a gross of fees basis, over rolling three-year periods by investing in different types of bond funds.

The Fund invests 50% of its assets in the Aon Managed Diversified Multi Strategy Bond Fund. The Aon Managed Diversified Multi Strategy Bond Fund invests in two absolute return bond funds, two funds that provide exposure to asset backed securities, a rules-based fixed income strategy and a cash fund; the manager of each makes active decisions to outperform its respective benchmark (commonly known as 'active investment'). The remaining 50% of the Aon Managed Bond Phase Fund is invested in the Aon Managed Passive Corporate Bond Fund, which in turn invests in a sterling corporate bond fund that aims to track the performance of its benchmark (commonly known as 'passive investment'). The combination of underlying managers and underlying bond securities creates a diversified portfolio that aims to generate smoother returns over the longer term.

During the quarter, we increased our allocation to absolute return bonds with a reduction allocation to asset-backed securities. This reflects our medium-term view and the increased attractiveness of absolute return bonds, especially with the expectation of falling interest rates over the next 12-18 months.

Performance Commentary

Over the three-month period to 31 March 2025 the Fund returned 1.2%, against a backdrop of positive bond market returns.

Government bonds rose in value over the quarter. Positive returns from regular income offset rising bond yields. The Bank of England cut interest rates by 0.25% p.a. to 4.5% p.a., while the Federal Reserve maintained interest rates over the quarter between a range of 4.25% to 4.50% p.a. Meanwhile, the European Central Bank cut its interest rate twice over the quarter by 0.25% p.a. each, to 2.50% p.a.

Investment-grade corporate bonds also increased in value over the quarter. The return from regular income more than offset an increase in credit spreads (the difference between government and corporate bond yields).

All the Fund's underlying holdings generated positive returns over the quarter. The T-Rowe Price Dynamic Global Bond Fund was the best-performing strategy and returned 1.8%, benefiting from country and interest rate positioning. The BlackRock Absolute Return Bond Fund returned 1.7%, benefiting from its allocation to European investment grade and high yield bonds.

The allocation to asset-backed securities continued to perform well, benefiting from high interest rates. Both managers generated positive returns, with the Aegon European Asset Backed Securities Fund and the Janus Henderson Asset Backed Securities Fund returning 1.4% and 1.5%, respectively.

The BlackRock Systematic Multi Allocation Credit Fund returned 1.6%, with positive returns from investment grade bonds, Emerging Market corporate bonds and high-yield bonds. The allocation to cash generated a positive return.

The remaining 50% of the Fund is invested in the Aon Managed Passive Corporate Bond Fund, which returned 0.8% and in line with returns from corporate bond markets over the quarter.

Since inception, the Aon Managed Bond Phase Fund has generated a return of 2.7% p.a. and delivered these returns with a low level of risk.

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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.

Aon Investments Limited (AIL) has been appointed as the investment manager of this fund. AIL is authorised and regulated by the Financial Conduct Authority. Aon Investments Limited, The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AN. Registered in England No: 5913159

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